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**BUDGET PROCESS: TESTIMONY OF HON. NANCY LANDON KASSEBAUM, HON. GEORGE E. BROWN, JR., AND HON. WILLIAM V. ROTH**

Y 4. 3: S. HRG. 103-22

Budget Process: Testimony of Hon. N...

**HEARING**

BEFORE THE

**JOINT COMMITTEE ON THE ORGANIZATION OF CONGRESS**

ONE HUNDRED THIRD CONGRESS

FIRST SESSION

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MARCH 16, 1993

SUPERINTENDENT OF DOCUMENTS



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WASHINGTON : 1993

For sale by the U.S. Government Printing Office  
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402  
ISBN 0-16-040669-2



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(III)



**BUDGET PROCESS: TESTIMONY OF HON. NANCY  
LANDON KASSEBAUM, HON. GEORGE E.  
BROWN, JR., AND HON. WILLIAM V. ROTH**

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**TUESDAY, MARCH 16, 1993**

**HOUSE OF REPRESENTATIVES,  
JOINT COMMITTEE ON THE ORGANIZATION OF CONGRESS,  
*Washington, DC.***

The committee met, pursuant to call, at 2:15 p.m., in Room HC-5, The Capitol. Presiding at the beginning of the session was Senator Harry Reid, of Nevada.

Senator REID. The Joint Committee will now come to order.

So that we don't get too far behind, we understand that Senator Boren is on his way; and we would, therefore, call upon the first witness, Senator Nancy Kassebaum, who was scheduled for 2 o'clock. It is now 2:15.

**STATEMENT OF HON. NANCY LANDON KASSEBAUM, A U.S.  
SENATOR FROM THE STATE OF KANSAS**

Senator KASSEBAUM. Thank you very much, Senator Reid. It is a real pleasure for me to testify about the committee that I am serving on, and I think all of us who serve on this committee are really committed to looking with great depth and dedication to the task before us.

I am pleased that three of the cosponsors of my legislation are on this committee, and I would just like to read the names of the cosponsors of the Senate reform bill, Senate Resolution 13, which I think has great merit. It was first introduced in 1987. And the cosponsors are Senators Inouye, Daschle, Dodd, Mack, McCain, Nunn, Campbell, Lott, and Kerry—John Kerry.

Just to speak for a moment about the intent and purposes of this legislation, I was struck today when former Senator Mike Mansfield, who celebrated his 90th birthday, visited both the Democratic and Republican policy luncheon and spoke to the importance of the institution; and I think we all have such enormous respect for someone who served here as Majority Leader, with great integrity, with a great sense of pride in the United States Congress and the United States Senate. And I was wishing that I had thought to ask him what he felt about Senate reform. But at the time—or congressional reform, I should say. But at the time that he was Majority Leader he provided many insights and many suggestions that, in many ways, opened up the United States Senate to changes that still are in place.

The legislation, which I would like to speak to today, is not an attempt, as has been portrayed by some, to do away with the Appropriations Committee. I really firmly believe that each and every committee, both the authorizing committee and the Appropriations Committee, have rendered valuable service.

My argument would be that times have changed, and we need to look at a committee restructuring so that we can become more effective in our work here and more accountable. And, perhaps, it is the latter that I believe is most important of all.

The legislation would consolidate the existing three-step spending process that we have now into two steps. Today, the spending cycle begins, as you well know, with the Budget Committee exercising de facto control over policy priorities in the Senate by drafting and enforcing the budget resolution. The cycle ends with the Appropriations Committee resetting priorities within budget parameters. Sandwiched in the middle are the authorizing committees, whose influence on spending priorities has become increasingly limited.

We are proposing to merge the authorizing and appropriations process into one step for allocating funds within the overall budget limits. It, I think, is unfortunate that this legislation it has been portrayed by some as a means of eliminating the Appropriations Committee because, indeed, that is not what it does. And it provides a change for the authorizing committees as well.

While it has jurisdictional changes, the main purpose of it is really to improve the process and to not continually have us reinventing the wheel. I think that is what becomes frustrating to all of us and certainly the public as they try and understand the process.

I think the current system is redundant. How often do we waste time repeating the same debate—once during the authorization and again during appropriation. This does nothing to improve the deliberation in this body. It merely burdens our schedule and adds to the perception that no decision is final.

I would just like to speak a moment to the structure. The Budget Committee would be replaced by a Leadership Committee, and this committee would be comprised of the Chairmen and Ranking Members of all other committees. So this is a body that would set priorities, that would debate the priorities of their committees within that structure and be responsible, then, for that budget and, I would argue, in a better way than exists today. It would perform the same functions, in many ways, of the current Budget Committee.

The individual Chairman and Ranking Members then would enforce the budget limits through their individual committees, allocating resources within the limits that have been set by the Leadership Committee. They would judge both the merit and the priority of individual programs—functions now divided between the authorizing and the appropriating committee. But it is important to remember that each individual committee would be fiscally constrained by the overall budget limit.

Certainly I think all of us who are sponsoring this initiative would not want to make the case it is perfect but that it offers a



beginning and, I would argue, a significant beginning for a change that I think has much merit.

I was interested, of course, in Chairman Natcher's testimony last week and felt he offered some very good suggestions in many ways. I, particularly, was impressed with his pointing out that half of all spending, of course, is appropriated; and only 35 percent of that total spending is truly discretionary. We all recognize that entitlements and growing numbers of initiatives, to become entitlements, is what has, in many ways, sapped our ability to provide, I think, the appropriate monitoring and oversight of programs that need to continually be reviewed. I think his idea to sunset or regularly review the entitlement programs and making it part of the appropriation process, I would argue, except for social security, would be a very significant initiative for us to consider.

I think, similarly, Senator Byrd made some very interesting comments in his testimony. No one understands, better, the rules and procedures of the Congress and the United States Senate, in particular, than Chairman Byrd. He, obviously, has serious reservations about this particular change. But I think that I would hope that even he might recognize that if we are going to be responsive today to our constituencies and to a Nation that wants us to work more effectively and be more accountable, we have to consider some important changes.

Just to conclude with some general observations about this legislation— and then I would be glad to answer any specific questions you might have—first, to reemphasize that accountability now is lost in a confusing, redundant spending process that is hard for us to understand sometimes, let alone our constituencies. And there is an amazing overlapping of jurisdiction.

When legislation fails its purpose, does blame lie with the budget priorities? Does it lie with the authorizing committee? Does it lie with the appropriations? It is easy for us to say, well, someone else caused this damage; and we really don't know where to go to see who is accountable. I think in the eyes of the public, it lies with us all; and we don't have the means, then, to significantly look at it to redress or correct what we think best needs adjustment.

This legislation, I think, creates clearer responsibility for decisions to spend or to cut spending or to raise revenue or to cut revenue.

And, second, critics of this legislation often point out that the Appropriations Committee was established to promote fiscal restraint. And I think it has. There is no one of us here that would make the case that appropriations has significantly been the culprit in this sort of way for increasing spending. I think that they have been the "gatekeeper" in many ways, as they like to think of themselves. And that is not, indeed, what the purpose of this legislation is about. But we do think that there can, again, be a removal of one layer of the process that will make it a more effective one.

And so we have the Leadership Committee and then the authorizing/appropriation process combined so that it is a two-step process instead of a three-step process. And I think that eliminates the cumbersome third layer which is proving to be, I think, frustrating to us all.

And, third, while this legislation is far-reaching, I believe this committee, as has been stated by the Chairman, must not fear to be bold. Tinkering will squander our mandate for little benefit. And we do have an opportunity now to take on this task and create an endeavor which could be lasting and effective for years to come.

Thank you.

[The statement of Senator Kassebaum is printed in the Appendix.]

Mr. DREIER. Thank you very much, Senator Kassebaum. Clearly, your proposal is one of the boldest that has been submitted to this committee, and it is obvious that your membership on this committee is going to ensure that the proposal remains on the forefront.

One of the things that—well, there are a number of things that concern me at the outset. Do you believe that this kind of reform is politically palatable?

As I talk to Members of both the House and the Senate about this concept, there are some who are extraordinarily enthusiastic and others who are violently opposed. I wonder if you have a group of very influential Senators who are cosponsors of the legislation. I wonder if you have gone further than that and talked with other Members about the prospects of support.

Senator KASSEBAUM. Oh, indeed, I have. I realize it is going to be difficult. It depends actually, probably, where you have the strongest turf and exactly what sort of winners and losers they may be in all of it. I think we all understand the importance of that.

I think just inherently our own concern about changing a process in this way, which is significant, it is much easier to continue doing something that we have done for some time and know what the results of it are as the process moves forward. There is uncertainty in a change and a change of this magnitude. But I find, from a political standpoint, what I believe the American public wants is greater accountability. And I think that this is a design that can lead to that.

I would guess there are very few people who really understand the appropriation process, the authorizing process, the budget process. And right now the budget process is dominating both the House and Senate as we are dealing with the budget resolution. And we will have debates about the parameters of the budget resolution, and most people really, then, get very confused on what that means as far as how the rest of the process moves forward.

Mr. DREIER. One of our early meetings on this committee, I quoted professor Harry Jaffa, who was one of my professors out at Claremont, who said when he was given this challenge of trying to deal with major political problems, looking for an  $E = MC_2$ , he came up with  $S = 2P$ , solution equals 2 problems. And I wonder if you have looked at the potential problems that could be—could come about with the implementation of your proposal?

Senator KASSEBAUM. I think, perhaps, from a political standpoint, the most difficult is the melding together of the Appropriations Committee and its subcommittees and the authorizing committees.

I have walked through several committees and taken them as they exist today and melded them and see where that seniority

falls out. And it falls out, amazingly well, as far as those who have been senior, where they are in the blend, remain senior.

But there are, obviously, going to be some difficulties there. I would think that might be the most difficult, obviously, because politically, as we all know, that is the harder challenge. But I think that melding can occur; and over time, of course, it all works out. It may be that we wouldn't necessarily want to meld it by seniority. It may be everybody wants to put their name in the pot and start over again and draw for committees. That might be more difficult to accomplish.

Mr. DREIER. Thank you very much. It is a very thoughtful proposal; and, as I said, your very important presence on this committee is going to ensure that it remains before us.

Senator KASSEBAUM. Well, and let me say, I think we are all open to suggestions of ways it can be improved. I would just like to suggest this was drawn up so that if the House would not choose to do so, it still is conferencible. So the structure is not a part from being able to conference, if the Senate would make the change and the House decide not to.

Mr. DREIER. Thank you very much. Thank you.

Mr. Reid?

Senator REID. Thank you, Mr. Chairman. Three of my friends who are on this committee are sponsoring this legislation, and I have the greatest respect for all of them. But I have to also respectfully submit—I think this idea is not very good. I think that in answer to one of your questions you had of Senator Mansfield—he was in our conference also today, and he told us that one of the big mistakes that he made was taking away power from Chairmen and making the Senate too democratic. And now no one has any power, and that is one reason we don't get anything done. So that was in answer to your question, I think, at least the way I understood it.

Nancy, I think one of the big problems with this legislation—this change, I should say, is that if you carry this to its extreme, we should not even have a legislative branch of Government. You want to centralize power so significantly, that I am not sure that we shouldn't just do away with the legislative branch of Government. The way things work now in the appropriation process we have, once the figures are given by the Budget Committee, then the Appropriations Committee divides among the 13 different subcommittees, there is what we call 602(b) allocations. It is done this way in the House, and it is done this way in the Senate.

Under your proposal, there would be no mechanism to do that. And I think we would be right back to what I talked about last time we met in this committee, to the Hoover Commission, this report written by Cogen late last year where we talked about—where he talks about, in some detail, where Congress tried something similar to what you are suggesting. They tried taking away the power of the Appropriations Committee. And one House Member said, and I quote, "If you undertake to divide all these appropriations, you will enter upon a path of extravagance that we cannot foresee the length or the depth of until we find the Treasury and the country bankrupt." That is, basically, what happened.

In the 5 years following the transfer, responsibilities in one account for rivers and harbors they called it, at that time, compara-

ble to our interior. The 5-year spending went up some 60 percent. Appropriations went up about 20 percent. Still, going on, reading from this treatise, "Spending was independent of revenues. Virtually all the increase in Government spending during the 30 years from the 1886 to 1916 occurred in programs no longer under the jurisdiction of the Appropriations Committee."

The one good thing we have now, and all the witnesses—and especially Natcher and others said this, too—is that we do have, in the Senate and in the House, 13 subcommittees whose jurisdiction is absolutely parallel so that when the Appropriations Committee goes to conference, it is different than almost any other committee—the committees that do go to conference here in the Congress, they absolutely contract program by program.

So it would seem to me that the big problem we have, as indicated in the article written in the L.A. Times just last week by David Stockman, is that we are trying to correct problems by just trying to change the way we do things without recognizing that we have some basic problems, not the least of which is that we don't have enough money to run the Government; and we either have to cut spending or increase taxes.

Senator KASSEBAUM. Well if I may respectfully suggest, Senator Reid, one thing is that I think, under this plan, we are strengthening actually a number of Chairmen. And that was really the desire, to make the Chairmen of each of the individual committees, because they both appropriate and authorize in that—the Armed Services Committee, as an example, would both appropriate and authorize so that Chairman and Ranking Member serves on the Leadership Committee, which then sets the budget agenda.

So you have each of these Chairmen leading from real strength because they have got that authority within their committee. So it is really designed to strengthen each of the individual committees and not taking power away from the appropriations but actually strengthening the whole process.

Senator REID. But what incentive would there be to save money right now if, for example, when we do our 602(b) allocations, agriculture, we can save some money there, we can give that to armed services or vice versa?

Under your program, there would be no incentive to save, if a committee Chairman, in effect, saved money. I mean that would be lost to his program forever. Under the process that we now have, that is not the case. There is an incentive to save.

Senator KASSEBAUM. Right. The same—I think that 602(b) allocation could still remain in effect. That is still something that the budget procedural guidelines have still—still would apply to the Leadership Committee, so each individual Chairman is going to try—you have to stay underneath the budget parameters that have been set; so that still guides you.

Senator REID. But under your proposal, if, in fact, there was a savings, for example, in armed services, that is lost. The way it is now, because the defense programs are part of the 13 other subcommittees, if you save money there, you would still have it in the Appropriations Committee.

Under your program, the Armed Services Committee would lose that; it would go someplace else.

Senator KASSEBAUM. Well, it might go to reduce the deficit. If you have not been able to work that out under your budget structure, the budget Chairmen have been the ones who have set the parameters of their program.

Senator REID. But that would have nothing to do, Nancy, with the deficit because if I understand what you are saying, this Leadership Committee would be given, by the Budget Committee, a lump sum; and then they fight over who gets what, right?

Senator KASSEBAUM. It would be the same as the Budget Committee does today, yes. So you set the same parameters of what the Budget Committee does today, but it is your Chairman who comprises the committee, not again, a third-step process. So you can let—this is one way to help consolidate the process.

Senator REID. This is the only thing I can ever remember I have disagreed with you about.

Chairman BOREN [presiding]. Thank you, Senator Reid.

Senator Kassebaum, I apologize. I was tied up in another meeting and delayed. But we welcome you to the committee.

Senator Cohen?

Senator COHEN. Thank you, Mr. Chairman.

I am pleased to say I don't disagree with you on this issue, Nancy. I wasn't exactly clear from Senator Reid who he was quoting from the experience of 1886 to 1916.

Senator REID. I was quoting—I mentioned this the last time we had a hearing—the Hoover Institute, one of the fellows there, a man by the name of John Cogen, a long-time Republican, who has written a treatise on Federal budget deficits on what is wrong with the congressional budget process. And he talks about when you decentralize the appropriation process you run into trouble.

Senator COHEN. But were the years you were quoting from 1896 to 1916.

Senator REID. Yes. About 1895 to 1916.

Senator COHEN. Almost like ox tail soup, going back too far to get a good thing. I thought Oklahoma might appreciate that.

But, in any event, a lot has changed since that time; and we are looking back at the experience of what the legislators did between 1885 and 1916. We also have the situation where every reform carries the seeds of its own abuse.

If we go back and look at when this budget process came into effect, it came into effect because those who were serving in Congress at the time, back in the early 1970s, were not spending too little but spending too much.

It prompted Richard Nixon to impound funds that had been appropriated by the Congress and not spend them. And this loomed as a major constitutional challenge. It almost became, in fact, an article of impeachment; an attempt was made to draw an article of impeachment against Richard Nixon for impounding appropriated funds. And out of the Watergate era, as such, came this reform called the Budget Act. And even within that, as we can see today, it is a process that is simply too long; it is too cumbersome; it ends up sometimes in September or October with everybody scurrying at the last moment trying to come to the Floor to merge the authorizing committee with the Appropriations Committee.

And many times we find the appropriators have finished their work before the authorizing committees have, which is a total inconsistency. So I salute you for what you are attempting to do to eliminate one step of the process.

And, second, Senator Reid indicated that Mike Mansfield appeared before the Democratic Caucus and he also came before the Republican caucus. And Mike Mansfield had a reputation for speaking briefly and carrying a big stick. Today we are criticized, it seems to me, for talking too much and doing too little. We talk and talk and talk and never seem to get anything done. So I think this is really a step forward to try to eliminate at least one layer of it.

When Senator Reid quotes Senator Mansfield and talking about the good old days, back in the 1900s and early 1970s, the concentration of power was in the hands of a few people; and they got things done. So it seems to me, to be inconsistent, to say now what we are seeking to do is to concentrate power in the hands of the key people—that is exactly what we are trying to do and to do it in a way that is still more consistent with the democratic process by spreading it out just a bit.

I was concerned, Senator Kassebaum, in terms of who would make up this Leadership Committee. You have all of the policy committees, which are some 10; and then would you include the program committees, which are the other 4, to make, at this time, 14 committees, which means 28 Members, plus the original 5?

Senator KASSEBAUM. Yes.

Senator COHEN. And the 5 would come from where? You want to make sure that the democratic majority remains as it is.

Senator KASSEBAUM. Right. Or the Republican. Whoever is in the majority. The majority.

Senator COHEN. But the leadership would pick them?

Senator KASSEBAUM. Yes.

Senator COHEN. Well, I think that it really is a step forward, and Senator Reid and I would disagree. Obviously, since I am a cosponsor, I have a little bit of a vested interest in supporting the measure before us. But I think the current process, however one disagrees with your recommendation, the current process doesn't work.

We have a situation in which the appropriations committees ignores the authorizing committees. To give you one example, we had last year both the House and the Senate Armed Services Committee recommended that we not go forward with the development funding for the advanced tactical fighter, both of the authorizing committees. Appropriations came along and authorized full funding for it. So we have a situation where we not only have duplication of the process, we actually have the appropriators taking a position completely inconsistent with the function of the authorizing committees. So we have to simplify it, and I think the merger is going to create problems.

I was going to ask—I am sure Senator Reid would want to know this, toowhere does Senator Byrd fit into all of this in the legislative committee structure?

If you talk about seniority—and we have to be realistic here, you know—my question would be with all of the distinguished cospon-

sors that you have had since 1987, why hasn't this moved forward? Why isn't it a law right now?

And I think I have a pretty good idea about the answer. But where would the Chairman of the Appropriations Committee come on this?

Senator KASSEBAUM. He is senior on almost every committee.

Senator COHEN. So his power is safe.

Senator KASSEBAUM. That is right. But he, of course, obviously, has grave reservations about the change.

Senator COHEN. Well, thank you very much,

Mr. Chairman, my time is up.

Chairman BOREN. Thank you, Senator Cohen. And thank you for pointing out, by implication, that most good and worthwhile things in this Nation have occurred since 1907, when Oklahoma began to have its representation in the Congress.

Mr. Allard?

Mr. ALLARD. Thank you, Mr. Chairman. I think you have given a lot of thought to your proposal, and it looks to me like you thought, primarily, about the Senate and have given some consideration to, perhaps, maybe merging that with the House.

Have you thought of where we may look at committees that would be joint committees between the House and the Senate and that way reduce the number of committees that we have, particularly those that would be under your administrative title there? You just have ethics, intelligence, and, obviously, each body would have its own rules. But I don't think that could be combined, but perhaps ethics and intelligence and some of these administrative committees that we have that are sitting around could.

Senator KASSEBAUM. I think that is a very interesting idea. And I would just also add, this was done in 1987. There has been some suggestions now, for instance, that intelligence might be better moved into the defense or Armed Services Committee. And there would not even need to be a separate Intelligence Committee.

I mean there are some suggestions that have come regarding jurisdiction since this was initially drawn up in 1987. And I think that would be an interesting concept. I think we do far too little in the way of joint hearings many times, which would save, again, a redundancy. And I think that would be a very good step.

Mr. ALLARD. There are some State legislators that have, even as a Joint Committee, their Budget Committee. It might be one way of taking testimony on items in the budget and concerns of the budget, setting that out and then introducing that to each body as a proposal. And then each body, obviously, would operate individually and succinctly on that proposal that would come before it. It would probably mean that the President's budget would be even less important, and it would make it more of a legislative budget. But I would like to hear some of your comments on that.

Senator KASSEBAUM. Well, under this structure, the Budget Committee, of course, becomes the Leadership Committee; and so you have your committee chairmen.

If you had a joint effort between the House and Senate, it would probably be quite large, for one thing. And that would be the only problem I would see. Otherwise, I think the more that we can do in

a situation, like, so you are combining hearings, so you are not having joint testimony, the House and then the Senate.

One, it really drains a lot of energy from the Secretaries that have to come up here continually to testify. And if there is some way to structure it so that in setting priorities, if you would do it this way—or even a joint Budget Committee, I think has much merit. I am a strong believer in coordination where you can, and consolidation. I just think it makes for a stronger process.

Mr. ALLARD. Well, I would agree with you, and it also, I think, creates more accountability. I think the frustration right now from the public is like you mentioned in your comments, that the process is so convoluted and so intertwined between the various committees, it is hard to figure out what is happening; and they don't understand it.

If we had more of a straightforward process in handling our budget and our budget figures, I think people would understand and have a better appreciation of what all goes into the budget.

Thank you very much for your comments.

Senator KASSEBAUM. Thank you.

Chairman BOREN. Thank you very much, Mr. Allard.

Vice Chairman Dreier?

Senator Lugar?

Senator LUGAR. Thank you very much, Mr. Chairman.

Senator Kassebaum, let me try to trace, through my understanding of your proposal, one which—

Senator KASSEBAUM. Our proposal.

Senator LUGAR. As Ranking Member of the Agriculture Committee, as I understand it, I would become a member of the Leadership Committee, which, under your proposal, is now the Budget Committee. And I would serve with Chairman Leahy as the Democratic Member of that Agriculture Committee. And since the two of us were joined, two from each of the other committees, which you have listed in your bill, and together we would formulate the parameters of the budget resolution, which both Houses are about to consider this year; but this would be the product of our work.

Now, as I understand your proposal, additionally, we would have 35 percent of the money in the budget, which is discretionary programs, agricultural spending, highway spending, this sort of thing; but also we could take a look at the entitlements programs in this committee.

Senator KASSEBAUM. Well, that is a suggestion that I think has a great deal of merit. It is not written into the legislation as such because, as you know, we don't have that ability now; but I think there is growing interest in making entitlements the same process in the budget as the discretionary spending and have to go through an annual review.

Senator LUGAR. I would agree. Now, this may add an additional burden to what is already a good idea that has some controversy, but let's just take the proposition that we really want to make the budget process comprehensible to us and to the American people. This committee ought to handle all money, in my judgment, entitlement and discretionary; and as we sit around the table, if we decide the country is going broke some year, we might decide to



change an entitlement program or two and change it, markedly, and to say, essentially, this is the limit.

Now, if that is the limit, then the next group of people, this combined authorization appropriation group, has its work cut out for it. No lack of authority there. For example, if we change the entitlement program on food stamps, the Agriculture Committee, which I am a Ranking Member, would have a mandate in this Leadership Committee to make certain that food stamps cost no more than \$20 billion, more or less; and we are about to make certain that there are entitlements that fit that, in terms of population, threshold, need, and what have you.

Furthermore, as you suggested, if, for some reason, we don't have a heavy load like an entitlement program, we just have regular programs, we might not spend all of the money that was allocated by the committee. Senator Reid brought that point up. We might just let it drop to the bottom line for deficit reduction; that is a very good idea. Whereas the second group has a mandate to take a look and see if it can do less, not more, than the first group.

In the second group, you have, essentially, the same players except now those who are on the subcommittee on appropriations are combined with those who are in the authorizing process. Take my agriculture example, again, as a part of the authorization committee, I would be commingled with those Members of the Appropriations Committee who have usually dealt with agriculture. Senator Cochran of Mississippi does both. It is an instrumental figure in both operations, for example. But we would, then, have the opportunity to think through the priorities of what we want to do.

That is a superior idea to our working in the Agriculture Committee on a program and then turning over to Senator Cochran's group on appropriations the responsibility to rewrite it with ideas that Senator Cochran thinks are better, or whoever happens to be sitting there at the last sitting.

My experience as Chairman of the Foreign Relations Committee came this way: We finally got a foreign aid bill, the first time that it had occurred in a decade, we were told. It was so surprising to the Appropriations Committee people who dealt with foreign aid that they had gone about their staff work rewriting the bill as they usually do. I went over to see my good friend, Mark Hatfield, who, when Republicans became responsible for the Government when we took control in 1981, he was Chairman of the Appropriations Committee. I said Mark, this has changed; you know, we have authorized money. You ought to read what we said. And that is what we want done. And there is going to be a fight if it is not done. Mark was really helpful.

But that is the last time the Foreign Relations Committee passed foreign aid bills. The foreign aid people on appropriations had gone back to their old tricks; and, essentially, they write the bill. And many administrations like it, Republican and Democrat. That way you don't have to deal with two committees. You can simply go to the bottom line, the conference of last resort, the final night and write in what you want.

Now, if there is political difficulty with this—and I think Congressman Dreier's question is well taken—it really comes down to that point. People who are players in Washington will have to

decide whether they want to deal in the dead of the night with the Appropriations Committee on the final night with none of us having a second say, third say, any say, or the public outrage for 5 or 6 weeks later when they read all about this and all sorts of lamentation about why we don't get our House in order.

The thing you have presented is perfectly straightforward. You see all of it to begin with; you see all of it when it comes through. The public sees it; we see it; it is not incomprehensible; it need not be. I, for one, am sick and tired of the mumbo jumbo reconciliation, all the rest, which, in my judgment, are required to keep trapping something that we are trying to keep in balance when, in a straightforward way, we can do it.

Now let me just comment, because I really testified rather than asked you a question.

Senator KASSEBAUM. I am very pleased, Mr. Chairman.

Senator LUGAR. What is the predicament here? Have you looked at this as a seasoned politician?

My guess is that most Members will look at your proposal and say where do I come into this?

Am I going to be sitting around the table at any juncture? And if not, what do I tell constituents; that I was sleeping at the switch?

Or do I tell them that I cannot insert their railway into the appropriation bill the last night of Congress, which is what they want sometimes, as opposed to a straightforward allocation of resources.

If finally we come down to the point that individual Members are determined to keep their own prerogatives or constituents demand that they have irregular privileges, then you have a real problem with this. I don't know where the votes lie; whether we are in the mood for reform this year or not.

But if we are not, I think your idea is a great one and I intend to work with you within this committee to try to bring it about.

Senator KASSEBAUM. Thank you, I appreciate that very much.

In talking about the Agriculture Committee, again I go back to accountability and that has been mentioned several times, but when it is agriculture and that is the only committee dealing with agriculture, it is not appropriations, it is not authorization, they are together and it is agriculture. It is much easier to have good oversight because then the accountability is just there in one committee. And I think that is a usefulness that we should not discount.

Thank you.

Chairman BOREN. Thank you, Senator Kassebaum.

Mr. EMERSON?

Mr. EMERSON. Thank you Mr. Chairman.

Senator, I found your statement to be most compelling, and you are very bold in your concept and very fundamental in the reforms that you are proposing. It is a serious departure from the current syndrome. I think it shakes us well out of the mode of believing that we may be here just to make some minor readjustments in how the House and the Senate function.

I commend you for the obvious amount and level of thought that has gone into this proposal, and I think it is truly innovative. And while I have not studied it in any great detail, I hope that as this committee moves forward. I am sure we will with you, with Sena-

tor Lugar and Senator Cohen as Members of the committee, that we will keep focus on this as we move into the deliberative stages in the committee's undertakings. Because I truly believe that you have some ideas that need a very serious exploration.

I might say in response to what Senator Lugar just said, that I think the public is intent enough on reform that they may forgive their Senator or their Member if they don't wind up as a chairman or a ranking Member. I don't think the public is as concerned as where we sit as in what we do.

I think that the atmosphere out there is, indeed, so concerned about Congress as an institution and what we can do to restore our credibility, and the pecking order problem may not be the problem that a lot of people think it is. On the other hand, it may very well be as we try to move whatever recommendations we make through the House and the Senate.

A lot of attention has been focused on the Budget Committee. And you know, I remember, I wasn't in Congress at the time, but I remember when the debates occurred in the early 1970s, and the creation of the budget process as we know it today. I had a lot of hope for it at that time. I thought it was going to bring more order into the system, and I don't believe that it has. But I certainly remember the efforts of Senator Muskie and Senator Bellmon at that time.

Of course, a lot else was happening at that time relating to the structure of Congress. You know, following the elections of 1974, we found this tremendous proliferation of subcommittees, most especially in the House. I do not know if we had them in the Senate or not. But I dare say that in the period following the 1974 elections, in the ensuing several years, the number of subcommittees in the House probably doubled.

A recommendation also that I would make, and it bears on what you are talking about here, reorganization of committees and what have you, is that we do need a good history lesson when we move into the deliberative stages of this committee, about how we have evolved to where we are now. Because I think a lot of the unfortunate posture we find ourselves in right now is the result of some things that happened rather willy-nilly in the mid-1970s, to create a lot of subcommittees so a lot of people could be called "Mr. Chairman" without any real need for the subcommittee.

So you have opened a whole, wide array of subjects here that need to be explored and we could not begin to do justice to it here today. But I want to thank you for your testimony and say that I look forward to working with you in what I consider to be a very bold approach.

I think, you know, we have got to perhaps recall the words of Lincoln when he said the dogmas of the quiet past are inadequate to the stormy present. We must think anew and act anew. I think you are thinking and acting anew with the proposals that you are making.

Senator KASSEBAUM. Thank you Mr. Emerson.

Chairman BOREN. Let me say that the troubles that we are having with the microphones and the heating and cooling in this room has nothing to do with the proposals of Senator Kassebaum. It is being corrected, I am told.

I will turn now to Mr. Spratt.

Mr. SPRATT. Thank you, Mr. Chairman. Senator Kassebaum, thank you for your bold testimony. I didn't hear it, but I read it while others were asking questions.

I wanted to focus on one element in your testimony. You touched upon but did not elaborate on the entitlement budgeting problems, and I was reading the bill to see if we had enlarged the responsibility of the Budget Committee to include budgets for entitlements, and I presume that this is the successor to the Budget Committee.

Senator KASSEBAUM. Yes, that is correct. And this legislation does not include language regarding entitlements and making it an appropriated process or subject to review and annual appropriations, except for social security. I had separate legislation I introduced in the last Congress to that effect, but that is a significant expansion and I was really very pleased when I heard Chairman Natcher bring it up last week. I think it caught everybody's attention as being an innovative aspect. I think it would be an excellent idea to include in the context of reform, whether with this legislation or in whatever else we might consider.

Mr. SPRATT. I notice that you gave unusual attention to tax expenditures, which is a new twist, recognizing that they are like regular expenditures as well. But would it help to specifically empower the Budget Committee annually with budgeting for entitlements overall and in major categories?

Senator KASSEBAUM. I would like to see that, except for social security. I expect it is important to keep reiterating that is something set apart. But I think we have all seen in the House and Senate an expansion of efforts to try and include more and more initiatives as entitlements.

I know in the Senate we have blocked several efforts just by making the argument we should not be starting new entitlement programs. Because once that happens, you don't have the chance to give it the review, the oversight, that one does when it has an authorized and an annual appropriation.

Mr. SPRATT. Does that mean there would be reconciliation every year as part of the budget process; these committees would get authorizations from the Budget Committee?

Senator KASSEBAUM. Again, we don't deal with that. I personally would like to consider a 2-year budget cycle. I know when Chairman Natcher was here he felt a 2-year cycle would not work. That we need the annual review, we need to budget annually.

It seems to me, if we went to 2 years, you would spend 1 year on the budget cycle and with the ability to do the appropriating, and the second year devoted to oversight. So you could really spend a significant amount time in review of the program.

Again, I think there would be differing views on that, and that would just be my own personal view.

Mr. SPRATT. Thank you, very much for your testimony.

Chairman BOREN. Mrs. Norton.

Mrs. NORTON. Thank you, Mr. Chairman, and thank you, Nancy, for testimony that seems to have generated a lot of light, and judging by the temperature in the room, a lot of heat, too. At least I don't remember this room being this hot before, but I don't think it

has to do with the proposal that I think deserves very important consideration.

I want to make sure I understand it and measure it against the history of this institution. I remember particularly Senator Byrd's testimony, which I found fascinating for the way in which it recalled once again that there is truly nothing new under the sun.

Now, you say at page 2 of your testimony, that the problem is not the Appropriations Committee. And the problem is not the Budget Committee. In effect, you say it is the system; because you say that the third level is the devil here.

Now, I recall Senator Byrd indicating that there was an occasion when the appropriation and the authorization process was together. I believe his testimony was that is when spending truly got out of control. He seemed to oppose putting these processes together.

I am trying to figure out what is different in this proposal. I want to ask you if it is at these—this discipline, these limits, are ironclad limits so that spending could not get out of control and all we would get out of this is a lot of efficiency.

Senator KASSEBAUM. Well, let me suggest, Congresswoman Norton, that I think it is the same discipline and I would hope better than we have today. When the committee structure and function was more together, it was before there was a Budget Committee.

Now the Budget Committee was designed to help us set those priorities of spending and impose a discipline on the process that we hoped would help each and every one of us. I think, again, it all boils down to a real question of our own political will to make it work.

No matter how many times we have tried to fashion a framework, whether it was Gramm-Rudman, whether it was the 1990 Budget Agreement, which I would argue did have, I think the fire walls, caps and structure that perhaps worked better than any other that we tried; that it does boil down to our own determination to make it work.

I believe that again the process has become cumbersome. And as we have continued to try and tinker with it and make it more of a straightjacket, so to speak that, that we feel can give us discipline, we have only found that we have made it that much more, I think, layered and counterproductive. So in trying to get it back to where we can, as Senator Lugar pointed out, know where the debate is.

Again, the accountability that lies within that committee and the budget parameters set by the chairmen of all those committees in a leadership committee, I would hope again that it would be a process that is not just going to reinvent the wheel, but would provide us with a more organized means of moving the budget process forward.

Mrs. NORTON. Senator, I think that it is a most intriguing proposal. But what I do not believe is that one can look at it and see it as anything but an intrinsic criticism of the appropriations process itself. And, in effect, you are very diplomatic in blaming the system, but it does seem to me that in ferreting out what needs fixing without saying so, you have chosen the appropriations process as what needs fixing.

Senator KASSEBAUM. Well, in some ways, I suppose, if you look both at House and the Senate, the appropriations process has become so dominant that the appropriations, in many instances, becomes both the judge and the jury. And they are able to do much because, as Senator Lugar pointed out, and Senator Cohen and myself, many times authorizations legislation has not even come through by the time appropriations decides to complete their legislation, their recommendations, and then they do with it what they will. It is not a criticism so much of appropriations, as it is also of authorization.

But I would suggest that we have reached the point that we are so big now, we have taken on many more responsibilities, that we really should improve the delivery process, and this is a way that I thought it might be improved.

Mrs. NORTON. Thank you, Mr. Chairman.

Chairman BOREN. Mr. Walker.

Mr. WALKER. Thank you, Mr. Chairman.

I would ask unanimous consent that a written statement that I have be included in the record.

Chairman BOREN. Without objection.

[The statement of Mr. Walker is printed in the Appendix.]

Mr. WALKER. I want to thank you for your appearance and your proposal. I have struggled to do something similar in the House, because I arrived at some of the same conclusions that you mentioned in your testimony, that the process with the three-tiered structure simply doesn't work very well and there needs to be some way to evaluate this.

Let me see if my thinking runs along the lines of what you talking about. What occurred to me is that you do need a disciplinary tool in the process. And as Senator Byrd testified before the committee, it was this was a disciplinary tool. And you had to set micro-budgetary policy, if you will, and because they got out of hand in determining the spending, some disciplinary tool was needed and the Appropriations Committees were needed.

Several years ago we arrived at conclusion that the discipline needed to be macroeconomic; that we needed to set overall spending limits and that we needed to discipline ourselves with that. And we have created for both the authorizing committee and the Appropriations Committees this macro-operating framework in which they have to operate.

In the system, the only people that have to respond to it are the appropriators. They have to meet the 502-B allocations, or whatever the number is. And the authorizing committee is left to be pretty much undisciplined; that they can pass any kind of figures and then leave the appropriators with this big problem that the authorizers have come up with, massive expenditures in a particular area. And then the appropriators are left to try to figure out how you live within the budget allocations despite the fact that you have these huge numbers coming out of authorizing committees. In my view, what you needed was far more people within the House of Representatives involved in the actual process of spending the money; that once you get the macroeconomic goals that every Member had to exercise discipline, at least in their area of special-

ty, for the spending of dollars, so that you attain some discipline in the system.

The fact is that the disciplinary tool becomes that macroeconomic number at the beginning of the process, rather than as the system was structured 7 years ago, with the discipline coming at end of the process. I mean, is that somewhat where you are going with your proposal and have you had any similar ideas about how the House could effect something close to what the Senate does?

Senator KASSEBAUM. I think it could. I do think the numbers make it a little more difficult. And we tried with this particular alignment to make it so that it could be conferenceable, even if the House did not choose to make the change.

I personally think, again, it was designed to try and help strengthen the chairmanship of all committees. And this is not as a criticism of appropriations, but as more people have a stake in the process, they are going to feel a greater sense of responsibility if, indeed, they are going to be held accountable for that particular area, whether it is defense or agriculture or transportation.

Mr. WALKER. Well, and the other flab is because the authorizing committees have not been particularly disciplined, in some instances. They have basically then been frozen out of the process; that along the way, the appropriators have taken to not only disciplining the process through spending, but actually making the policy, so that we end up having bills that come through that are not only appropriation bills but are policy statements that does a total end return around the entire process.

So there are Members in the House who supposedly have jurisdiction in a area and have not passed authorization bills for years, and years, and years, because that has been wrenched away from them in the appropriations process. And if you were exercising no responsibility, you have no authorizing authority and no spending authority, the chances are that the process breaks down even more.

So I think you have given us a way to get around some of the problems that we have.

Senator KASSEBAUM. I would say, too, you are right, and authorizing committees frequently say we authorized that higher amount of money. And this is where appropriations has helped keep that level down, because a lower figure may have been appropriated because it lets the authorizers off the hook as well.

Chairman BOREN. A 15-minute roll call vote has commenced in the Senate, so we will have to exit in a moment and then come back. In the meantime, we will have Representative Brown begin his testimony.

Let me ask Senator Kassebaum very quickly, I assume that parts of your proposal, let us assume that setting aside whether or not we merge the appropriations and authorizing process, other parts of your proposals really have merit, from your point of view, as freestanding proposals. In other words, even if we had the current process, I assume that you would feel that what is now called the Budget Committee could best be configured as being composed of the chairs of the relevant committees of the Senate, so that those leaders and the ranking Members—so that those leaders of the committees would have a stake in carrying out both the letter and

the spirit of the decisions of the committee; would that still make sense to you separate and apart from the other proposal or not?

Senator KASSEBAUM. Yes, I think it would have merit. You would not have quite the stake, because you wouldn't be doing both the authorization and appropriating, but it would help in setting a pattern of policy.

Chairman BOREN. I wonder with this—subcommittees have been mentioned, and I assume you have not focused on those, but you would not be opposed to a reduction in the number of subcommittees?

Senator KASSEBAUM. No not at all.

Chairman BOREN. We have had heated debates about what would be called nonlegislative committees. You call them program committees. We had the debate on the Floor of the Senate about aging, Indian affairs. There have been debates on the House side.

What would you think about the idea of considering, if there are—and, again, on a joint basis with the House and the Senate sitting down together—if there were areas that seemed to merit continued concern that there might be the possibility of taking some of these concerns, establishing parallel definitions on the House and Senate side and create joint committees where there have been two separate committees, merging them, particularly in nonlegislative areas, reducing the staff in half. Reducing the number of hearings in half, as a sort of alternative to either keeping them as they are or abolishing them?

Senator KASSEBAUM. I think that is a very valid idea worth exploring. Now the program committees as designed here do have legislative responsibilities as well.

Under our present structure, some do and some don't. But under this structure, they do.

Chairman BOREN. I suppose even a joint committee, I don't know that that we have done this, but we could develop legislative authority, particularly if they are committees that are not among the most active legislatively.

Senator KASSEBAUM. I think it is worth exploring.

Chairman BOREN. There were reports in the past from the Intelligence Committee, that could have been joint.

Mr. DREIER. Mr. Chairman, is there any consideration at all, Senator Kassebaum, to merge those program committees into policy committees? Senator Cohen and I were talking about that a moment ago.

Senator KASSEBAUM. Yes, there has been. Of course, there is the politics that enters it, in all honesty, but I think it has real merit, and I think it should be considered, and intelligence is a good example. I would say that the Chairman knows well that could be merged into the Defense Committee, and the same for some of the other programs here, merged into other some committees.

Chairman BOREN. Let me ask you this question: Based upon, and Mrs. Norton asked it, perhaps, in a different way—Senator Byrd recounted some of the history, and so did Chairman Natcher, when they appeared before us, that in the beginning the Appropriations Committee was a check on the committees. The Appropriations Committees appropriated less than the authorizers and didn't appropriate for things that had not been authorized.



If we were to really return to a rule and enforced a rule which, without exception, unless there was some emergency suspension of the rules for an authorizing committee that has failed to function, and there was dire emergency that required the Congress to act, if we really did enforce the rules and we said the appropriating committee cannot appropriate more, may appropriate less, but in no case can appropriate more than the authorizing committees recommended, and could not appropriate for anything that had not been authorized; would that then not be a system that might work in a way that would provide even greater budgetary constraint than we now have, or do you think that the enforcement of the rule, which even those chairs admitted—as they say authorizers would say under the table, we didn't get this in the committee now we want you to do it in the Appropriations Committee—if that rule could be made to work, would that not solve all of the problems that you are trying to deal with, if we went ahead and made the changes in the Budget Committee structure and aligned the other committees, or not?

Senator KASSEBAUM. I suppose if we really did stick to the old rule, you can't legislate on appropriations; I think that is difficult to do, you still have the three-step process. I am arguing, I think it would at least be a positive step to only go through two steps.

Chairman BOREN. I understand.

Again, we thank you very, very much.

Senator Reid has one last word.

Senator REID. First of all, so we don't think this is an easy, simple, committee we are setting up, the way I see it, you would have 39 Members on this committee, two for each down here and five from the leadership. So we would have 39 Senators on this committee.

This doesn't take into consideration the Finance Committee. There would have to be a reconciliation process. The Finance Committee is not down there.

Senator KASSEBAUM. The name has been changed and it is mixed and it assumes the Banking Committee.

Senator REID. Also, I talked about the 602-P allocation, we also need to have the reconciliation process some place in here. I think the issue is incentives to save money, the Appropriations Subcommittees from multi-agency multi-program jurisdictions. An example is VA HUD; and because of this, there are many tradeoffs and choices among the competing interests in the subcommittee like that.

If you combined this specialized authorization jurisdiction, you eliminate the problem of choosing between limited programs, with a limited pot of money. And you add to this the Budget Committee idea and authorize programs. For special programs, there would be no incentives to hold down spending, and it would be like many of our Federal agencies now, they are compelled to spend all the money they have before the end of year, because next year they come back and if they have saved money, we start from that saved basis.

I know everyone here understands that. This would be a radical departure from the way that we do business around here. And that is not necessarily bad. But I think a radical departure, if we look at

what Representative Norton said, that something like this has been tried in the past and it was a disastrous failure; we ought to be very cautious.

Chairman BOREN. Senator Kassebaum, thank you, we need to—

Mr. WALKER. Just one comment on that comment. A system like this has not been tried before. There was a budgetary discipline or macroeconomic discipline in that that was tried before. So to say that what the other proposals have been is similar to what was done before is nonsense and is not the case.

Senator REID. Well, I would like to think that it is not nonsense. It is comparable to what was done in the past. One man's nonsense is another man's information.

Chairman BOREN. I have found the gavel, and I will rap it and say that because of the vote on the Floor, we will have to terminate this part of our meeting.

Thank you again, Senator Kassebaum.

I was going to say that your proposal was thoughtful and provocative, and I think the last interchange indicates it without me saying it. You have given us many ideas to think about, in addition to the central idea that you presented to us.

I am going to ask Chairman George Brown to take the witness table at this time. And again with apologies to Chairman Brown, the Senate Members will have to go up and vote. But we will return right away.

I will turn over the gavel to Vice Chairman Dreier.

Representative Brown served on the Agriculture Committee where I have had the privilege of working with him on conference committees on a number of issues, in addition to Chairing the Committee on Science Space and Technology.

He is among the most respected Members of the House. He is also the foremost expert on science and technology in the Congress, and I think no one would dispute that; an issue important to the Congress and to the future economic health of our Nation, especially as we approach the next century.

So we appreciate very, very much, Chairman Brown, your being with us. We look forward to your comments.

The Senate Members will return briefly. In the meantime, I turn the gavel over to Vice Chairman Dreier.

**STATEMENT OF HON. GEORGE E. BROWN, JR., A U.S.  
CONGRESSMAN FROM THE STATE OF CALIFORNIA**

Representative BROWN. I thank the Senator for his kind comments.

Can we take action in the absence of the Chairman?

Chairman BOREN. No coup d'etat while we are away.

Mr. DREIER. Please proceed, Mr. Chairman.

Mr. BROWN. Thank you very much Mr. Acting Chairman.

I have tremendous admiration for the Members of this select group that are undertaking to review the procedures of the Congress of the United States. It is a challenging task, and one which is undoubtedly going to be fraught with frustration.

And speaking of frustration, let me indicate that the motivation for my being here is frustration and it stems from the fact that over the years a number of the authorizing committee chairmen in the House have begun to perceive that they have been relatively disadvantaged by certainly the procedures inherent in the appropriations process and certain actions taken in both the House and Senate Appropriations Committee which disadvantages the authorizing committee chairmen.

As a consequence of that, a number of these chairmen have begun to consult together about ways to enhance or improve this process. And in the House this culminated last year in an effort to make some fairly—substantial changes in the rules of procedures in the House.

None of us are any longer bomb throwers. I used to be in that class in the eyes of some, but I have become considerably more moderate. And the kinds of proposals that we secured the enactment of, after some compromise last year, are really quite modest. And the proposals which I am making today, and which I will go into in a moment, are likewise quite modest.

They are certainly far less threatening to the status quo than the very excellent proposals made by Senator Kassebaum, and I am going to end up endorsing those. They are not even as far—reaching as the suggestions made by Senator Boren, who suggested that the Appropriations Committee would always have to appropriate less than the authorizing committee has authorized, and that there must always be an authorization.

This has been the key problem in the process, as we have experienced it in recent times. That suggestion alone would represent a radical change in the way that the Congress functions.

Let me say that I am in the enviable position of chairing a committee which has as its counterpart on the Senate side for most of our authorizing legislation, two committees of the Senate, both chaired by extremely able, distinguished, capable Senators who are my dear friends and who both chair the Appropriations Subcommittee that deals with the same function that they authorize.

As a consequence, by some strange coincident we have not had an authorizing bill go through either of their committees in some years. That is a serious problem. If it is not resolved, I can assure you that the discontent of the House Members who are disadvantaged by this, and to some degree that includes all of the authorizing committee, that discontent will result in even stronger action than we have attempted to take in the past, including in my case, the enthusiastic support of a proposal to abolish the Appropriations Committee.

I elaborate on this somewhat in my written statement, which is, as a say, very mild in its form. But I thought that I should indicate my very strong feelings on this issue before I go through my prepared statement, which I will now do at this time.

I am appearing today to discuss the Congressional budgeting process in my capacity as Chairman of the House Committee on Science, Space and Technology. I confess that in the 102nd Congress just passed, my first 2 years as chairman, I greatly underestimated the difficulty of enacting meaningful legislation to deal with

the policy issues of greatest concern to the Members of our committee.

Much of this difficulty may be traced directly to the fact that Science and Technology have become increasingly central to national and regional economic development and there have been significant differences in policy in the proper Government role toward these matters.

You are familiar with many of these issues which include: The proper role of the Federal Government, vis-a-vis the State, universities and the private sector in promoting development and commercialization of advanced technology; the proper balance between big science projects, such as the Space Station and the Superconducting Super Collider and small science performed principally by university researchers; the proper balance between international cooperation and international competition in science space and technology.

Mr. Chairman, as significant as these issues are, in many cases it has not been policy differences or divided Government which have precluded legislative action on them. More often than not, the impediment has been the internal rules of the institution. Particularly, the rules governing the authorization and appropriation process. And I will devote the rest of my testimony to the rather modest suggestions that I am making as to how these processes can be better harmonized.

Do we need a three-step budget process—in the current three-tiered budget process? The authorizing committee drafts legislation and authorizes programs and policy. And the Appropriation Committee determines the levels of discretionary spending for authorized programs. In practice, the functions have become increasingly overlapping and intertwined. Some Members, as you have already heard Senator Kassebaum and Congressman Walker, have argued that the three-step process is confusing and so full of redundancies that the authorization and appropriation process should be compressed into a single stage.

Although the arguments are compelling, one is forced recognized to the need for a fall—back position because of the political and practical difficulties in achieving a total realignment of the committee jurisdiction in the Congress.

I am also aware of and grateful for the pledges that Mr. Natcher made before this committee last week to protect the prerogatives of the authorizing committees. In light of these pledges, I am going to elaborate on my fall—back position, at this time, while reserving the option of endorsing a merger of the authorizing and appropriation functions should substantial improvements not occur. I will, therefore, recommend a number of changes to the committee today to bring these functions into better balance.

First legislation in appropriation bills: Conflicts between authorization and Appropriation Committees are usually due to one of two factors: The inclusion of legislation in appropriation bills or unauthorized appropriations, that is appropriating for matters that are not authorized.

The subject of legislation and appropriation bills was debated extensively in the House last year as a part of proposed set of rule changes offered by Mr. Dingell, Mr. Miller, and myself.

I have attached to my testimony a copy of the recommendations that were made by this group of authorizing chairs, ultimately a compromise was reached as I have hinted at earlier, whereby the authorizing committee chair will retain control of motions governing the disposition of amendments in disagreement in appropriation conferences.

Authorizers will not, however, be conferees on legislative amendments, nor will they have any special role on waivers protecting legislative amendments. The effectiveness of these new rules will, of course, largely depend on how often they are waived.

It has been argued that unauthorized appropriations, while widespread, are not significant; perhaps encompassing only 6 percent of all appropriations. Most unauthorized appropriations occur in three Federal Departments, Energy, Justice, and the Agency for International Development, which have lacked an authorization for many years, suggesting that unresolvable policy issues and not the imperialism of the Appropriations Committee are at the heart of the problem of unauthorized appropriations.

I would suggest that the figure of 6 percent vastly understates the degree to which the authorizing committees in the past decade have been shut out of the policy-making process in the Congress or at least in the House of Representatives. Focusing on unauthorized appropriations as an indicator of the relations between authorizers and appropriations misses cases where the authorization bill is passed too late or in too diluted a form to have a substantial effect on policy. It misses cases where authorizing committees are frustrated in efforts to amend or refine a standing, organic authorization, perhaps from a decade before. And it misses cases in which the appropriations bill either exceed authorized levels or earmark funds for unauthorized projects.

Let me give some examples of how the process has shut the Science Committee out of my meaningful role in policy formulation. And I, of course, speak with regard to the Science Committee because that is what I am most acquainted with; other authorizing committee chairmen would have their own list.

In the Department of Energy, the Energy Policy Act of 1992 contained the first comprehensive energy R&D authorization since 1981; an 11-year period. During that period, comprehensive energy R&D legislation, authorizing legislation, was reported five times and passed by the House three times. The Senate did not act on any of these occasions.

Further, in the 1992 Act, all House—passed provisions which would have imposed future authorization requirements, for example, for construction of projects above a certain size, were stripped of the bill in conference at the insistence of the Senate. I believe that the Senate's resistance to the authorization process has been largely due to the fact that in recent years the authorizing committee and the Appropriations Subcommittees with purview over the Department of Energy are chaired by the same Member who finds it easier control policy in the appropriations process.

In NASA, the committee has been extremely diligent in processing the NASA authorization bill, which is normally one of the first major authorization bills to pass the House. In recent years, however, there has been a consistent lag of 4 to 8 months between House

and Senate passage of this authorization bill, with the result that the bill is usually enacted well after the appropriations bill, and has limited reference to appropriation. And while the House bill is normally a 2- or 3-year authorization, the Senate always insists on a single-year authorization.

I presume we could say that they are just the more competent legislator Members than the Members of the House, and I would assume that for the time being. Despite the opposition to multi-year authorization, the Senate included an amendment in the appropriations bill with regard to NASA which mandated an 8-year expenditure floor of \$8 million for a specific NASA program. In other words, they authorized for 8 years in advance while striking out any of our part to authorize for 2 or 3 years. We struck that provision on the House Floor, however.

Appropriations report language is often replete with micro-management of the space program, including directives on which launch vehicle would be used for individual scientific missions and the construction sequence, design parameters and use of the Space Station. The chair of the authorizing committee and the Senate also serves on the Appropriations Committee; as a matter of fact, serves as chairman of that subcommittee.

The National Science Foundation, last year the committee passed an NSF bill that died because of lack of interest of the Senate. At the same time, the appropriations report for NSF—this is the report language only—contained both unauthorized earmarks, which significantly changed the direction of the agency and language directing a fundamental reorientation of NSF's mission. Floor colloquies and a blue-ribbon commission were ultimately needed to prevent the agency, NSF, being recast to the mandate expressed in appropriations language.

The appropriate way to reorient the agency's mission, of course, would be through a reexamination of the Agency Organic Act.

On the Superconducting Super Collider, a matter of some controversy, in 1990, the House passed a comprehensive program authorization for the largest earth-based science project in history, setting goals, milestones and reporting requirements in order to initiate an effective oversight process.

The legislation was not considered by the Senate authorizing committee chairman who, as I have said before, also chairs the relevant appropriation panel. Now how do we restore the balance?

There is a little doubt that the historical tension between the authorization and Appropriations Committees has worsened in the past decade. Witnesses before this committee have argued that much of the tension is due to unresolvable policy differences, or will disappear with unified Government in which the Congress and executive branch are controlled by the same party, or that the situation is correctable with more aggressive legislative action on the part of the authorizer.

The examples that I have cited above demonstrate that the problem is severe and that it is not as easily solved as some have suggested. The Science Committee has assiduously reported authorization legislation for all the agencies and departments within its jurisdiction, usually on a multi-year basis, and often 3 to 6 months before the beginning of the fiscal year.

But despite these experts, despite our experience with and knowledge of the programs, Members of the Science Committee are regularly frustrated from exerting their rightful input into the policy process. The cause of this frustration is institutional. It is largely due to the culture and the rules of the Congress itself.

Let me suggest these simple proposals for the committee to consider in its examination of the interaction between the authorization and appropriation process.

First and most importantly, Members in both Houses should serve either on authorization committees or Appropriations Committees, but not both. For the reason cited above, fundamental imbalances are created when Members the Senate are permitted to service on both committees. Inevitably, Members will prefer to legislate an appropriations bill or the accompanying report which by their nature the rules of both Houses are protected from debate, amendment and perfection than the corresponding authorization bills.

And, secondly, although the House has rules to prevent unauthorized appropriations and legislation in appropriations bills, the rules are routinely waived. I am very impressed with Mr. Natcher's pledge to make the appropriations process more regular and more fair. But I also recognize that he will not always be in a position to control the flow of legislative provisions that may originate in the Senate.

Waivers to these rules should be allowed only in extraordinary circumstances and only with the concurrence of the authorizing committee. This, of course, parallels the recommendation that Senator Boren at least hinted might be an improvement.

And, third and last, I believe that all reasonable changes should be considered which would require enactment of multi-year authorization legislation prior to enactment of appropriations legislation.

As discussed above, although there are times when policy differences preclude action on authorization legislation, in many cases authorization bills languish simply because it is more convenient for Members to deal with policy in appropriations bills and in report language. But if the Houses cannot find the time and will to deal with authorization bills, then the authorization and appropriations processes should be compressed into a single step, and I will strongly support such action.

Mr. Chairman that concludes my testimony.

I thank you for your attention and I would be happy to answer any question that you might have.

Mr. DREIER. Thank you very much, Chairman Brown. That is very helpful testimony.

I would like to begin by pointing out that you patiently sat through the presentation that was given by Senator Kassebaum, and I was struck with your opening remarks in which you indicated that you enthusiastically, I think you said, support her concept. In your prepared remarks you weren't as enthusiastic, and I was wondering if as you sat here—

Mr. BROWN. It got better, every word that I heard.

Mr. DREIER. As we look at your three proposals for this committee to consider, it strikes me that the one that you said was the most important was the first one, and that gets right to the Senate.

We, all know in House that one cannot serve on the Appropriations Committee and on the authorization committee, but obviously as you said, your two counterparts in the Senate have done that.

So I assume that what you say is the most important item, is to make a change in the Senate so that they will not allow people to sit on both appropriation and authorizing committees. I asked Chairman Natcher this last week when testified as to his thoughts about limiting the number of committees on which Member can serve an overall basis?

We have people who sit on the three committees, Ways and Means, Appropriations and rules-related, are not allowed to serve on another committee. And I wonder if you would like to go even further in the recommendation that we possibly limit the number of authorizing committees on which Members can sit?

Mr. BROWN. Well, I think that is a logical position to be taking in connection with other changes. I think it is conceivable that we might also want to consider reducing the number of authorizing committees. Under those circumstances, I would feel that it would be quite appropriate to limit the membership so that they would more effectively serve a committee that might have broader jurisdiction.

The proliferation of the committee system is probably due largely to the effort of Members, the desire of Members to have a larger voice in the policy process in Congress.

Mr. DREIER. Now as we know, that expansion of committees creates more often than not a conflict rather than an opportunity for people to have a larger voice.

Mr. BROWN. Correct, it inhibits the efficiency with which the Congress works.

Mr. DREIER. On your second item, last week Mr. Walker had a very good exchange with Chairman Natcher on the issue of legislating appropriations bills. And I know that we wholeheartedly support your backing of the idea of eliminating legislating in appropriations bills. And so I congratulate you for that. And I think Mr. Walker is actually in concurrence with you on the question of multi-year authorizations, especially as it relates to your committee, as he and I discussed last week. And I think he would have a chance to get into that, but I would like to call on Mr. Emerson; oh, he left. Then I will call on Mr. Walker.

Mr. BROWN. Do you have to?

Mr. DREIER. I can call on Mr. Spratt.

I recognize Mr. Spratt in deference to you, Mr. Chairman.

Mr. BROWN. I certainly want to hear from the one Democrat.

Mr. DREIER. Why didn't we hear from Mr. Spratt before?

Mr. SPRATT. I will lob you a softball, George. It seems to me, based on your testimony, that the easier solution is to cut out the Appropriations Committee just as Senator Kassebaum recommended; are you led to the same conclusion?

Mr. BROWN. I am moving rather quickly in that direction, if I may say so. I recognize that perhaps there are times when it is easier to make drastic changes than merely incremental changes more effectively, we may be approaching one of those times.

Mr. SPRATT. It is easier to make drastic changes, therefore, we should seize the opportunity?



Mr. BROWN. Yes.

Mr. SPRATT. Do you see problems with that? You have laid out a lot of the problems of having the two-tiered structure and making the two compatible. Do you see problems of not having an appropriating committee?

Mr. BROWN. It is not that you don't have one. You combine the appropriations and the authorization process, which the Appropriations Committee tries to do anyway; they just exclude the authorizers. That, in my opinion, is not the main problem. There will be problems.

There were problems when we adopted the new Budget Committee, for example. There are invariably problems when you undertake a major change in institutional procedures.

Those problems will have to be worked out over time, just as we have tried to work out the problems with the Budget Committee. The trouble is that if you try to work out the problems by making the system more and more complicated, the inertia finally gets to the point where it makes action very difficult.

This procedure moves back toward a system of simplified institutional arrangements, and while it will cause problems, I think in the long run it will produce greater efficiency.

Mr. SPRATT. One more question, Mr. Walker was raising the problem of the authorizing committees tending to authorize substantially more than the budget function permitted. The Armed Services Committee, we have found it is to our advantage to keep to the budget function, if we don't, then we leave all the interest decisions to the appropriating committee; do you find the same is true?

Mr. BROWN. Every committee is a little bit different. I think that the Armed Services Committee has been exemplary in the way it conducts its operations. To some degree, you have had in the past, and you have enforced a gentleman's agreement, shall we say, that the appropriators would not act until after the authorizing committee has acted? If that could only be replicated, that is essentially what I am asking for in my proposal here.

I think that what we have seen in our committee is a situation where we try to outguess the Appropriations Committee. And we figure that they are going to cut whatever we do by 2 percent, 3 percent, or 5 percent, so we add 2, 3 or 5 percent, like negotiating between labor and management. They are the management.

So sometimes this appears to look like it is leading to an excess of enthusiasm to spend money when it is really an effort to get back finally what the budget number may have been. Because there is a certain attitude in the Appropriations Committee that they are not doing their job unless they can cut below what they have said the Budget Committee can do.

Mr. SPRATT. Thank you very much for your testimony.

Mr. DREIER. Thank you very much, Mr. Spratt.

I am happy to call on the distinguished Chief Deputy Minority Whip, the gentleman from East Petersburg, Pennsylvania, and also the senior Ranking Republican on the Science, Space, and Technology Committee.

Mr. BROWN. By far the more important function, of course.

Mr. DREIER. Mr. Walker?

Mr. WALKER. Thank you. Mr. Dreier, may I say it is a delight to have George Brown appear before the committee. I do have the pleasure of working with him on the Science, Space, and Technology Committee. And anybody who suggests in the course of these hearings that the authorizers don't exercise appropriate controls over their agencies and overspending hasn't spent much time watching what happens at the Science Committee. George Brown really does do a superb job as Chairman of that committee, and I am delighted to work with him.

In your testimony, Mr. Chairman, you mentioned the superconducting supercollider and the failure of the Senate to move ahead with an authorization in 1990. And I think it is worth pointing out that that was the case where the authorizing committees were trying to exercise control over the program. And part of our problem since has been that those controls were never brought to bear.

For example, as I recall in that legislation, our committee put a limit on Federal contributions at \$5 billion. And we also required that  $\frac{1}{3}$  of the money come from non-Federal sources, which meant that we would have outlined parameters for the program that would have, I think, helped things like international negotiations and a lot of things since.

The fact that we never got an authorization bill means that much of what has been done so far on that project has been ad hoc, and it seems to belie some of the talk that we hear that authorizing committees are the ones that run rampant on these projects. We were trying to get some control of the project in the beginning.

I wonder if you would like to comment on kind of that particular issue as it relates to the function of the authorizing process and being responsible.

Mr. BROWN. Well, you have correctly described the situation here. I think we may come to the point where we will regret, in both the House and the Senate, that we have not allowed the Congress to work its will in establishing the terms and conditions under which we wanted to authorize this project. At the present time we have a situation of considerable confusion.

The project is in serious difficulty. I intend to continue to support it, but there is one thing that I support even more above my high regard for cutting-edge science—which I think it is—and that is the right and the opportunity and the need for the Congress to be able to express its will on matters of controversy; and we were not allowed to do that.

Mr. WALKER. I also appreciate the kind words that you had for the efforts that I have made to try to do something along the same lines and Senator Kassebaum has done, toward changing from a three-step to a two-step process.

I wonder whether you have given any thought and whether there is anything that this committee should look at in terms of how we deal with the problem of having eliminated the Appropriations Committee in the House, how you deal with the very personal problem that you all of a sudden have Members of the Appropriations Committee that would have to find other places to do their good works in the Congress.

Mr. BROWN. Well, as I understand the process, they would be integrated into the authorizing committee in accordance with some

acceptable rules, probably the normal seniority rules. And as I think somebody pointed out, Senator Byrd would end up being Chairman of whatever committee he wants to Chair and would still have a voice in the appropriations.

I think that that is one of the inevitable consequences that you have to face when you make a change, that there are people who are going to find that their role and their status have been altered. I don't really think that is a serious problem. I would suggest to you that unless we have peaceful, reasonable, rational, well thought out processes for making change, we are likely to end up with a situation that exists in many Third World countries where they don't have it and in which they shoot their way out of the situation. I do not want to see that happen.

Mr. WALKER. Would you also recommend that if we take the opportunity to, basically, restructure the committee system in the House to modernize the jurisdictions of the committees and thereby help us, which was the problem somewhat, because you would have a totally new committee structure?

Mr. BROWN. That is absolutely essential. Of course the whole history, 200 years of the Congress and more, has shown its capability to continually transform itself in ways which at the time were thought to be more efficient and productive.

In fact, if we are—find ourselves unable to continue with that kind of change, then we will become a dead body. This is so important that we continually reexamining our processes to try and achieve the next level of efficiency and capability and responsiveness. When we forget that that is the natural course of all human activity, then we are, indeed, in trouble.

Mr. WALKER. Those who said that you are not still a revolutionary haven't been listening to you.

Thank you, Mr. Chairman.

Mr. DREIER. Thank you very much, Mr. Chairman.

Chairman Brown, let me thank you, too, for making one recommendation that has not come before this committee so far and that is, as we deliberate, I don't think anyone will propose that we shoot our way out of the situation here on Capitol Hill.

Senator Boren?

Chairman BOREN [presiding]. Chairman Brown, again, I apologize. We got called upstairs for a vote. But I have read your testimony with interest.

I gather that in the House—is it a rule that you cannot serve on both authorizing and appropriating committees in the House?

Mr. BROWN. Correct, sir.

Chairman BOREN. As you know—and I know you have highlighted that—that is not our rule. In fact, we not only have that problem but we have the problem that the average Senator now serves on 12 committees and subcommittees. That is the average. It goes to as high as 23 committees and subcommittees that some Senators serve on.

As a general matter, I think we now—at least by current catalog, and this number shifts a little bit all the time—have, if you add up all the committees of the House and all the committees of the Senate and all the subcommittees of both bodies, I am told that we have 299 new committees and subcommittees.

As a general matter, do you think that we have too many committees and subcommittees? What do you think is kind of a reasonable place to shoot for?

Mr. BROWN. Yes, sir, Senator, I feel very strongly that we have too many committees and subcommittees. And the House, recognizing that, began this year—or continued this year with the process of reducing the number. And we did it very slowly. But we did eliminate a dozen or so subcommittees. And I hope we will continue to do that.

The criteria should be, what is that magic number which will allow the Members to be most effective in carrying out their duties.

Chairman BOREN. Yes.

Mr. BROWN. I think in the Senate that you have too many committees, as we do in the House; and it decreases the capability of the Senators to function effectively.

Now, being a smaller body, a more collegial body, the Senate is to be commended for the ways in which it has overcome some of these handicaps. For example, you have about a quarter of your Members who serve on the Appropriations Committee. That alleviates, to some degree, the problem of the divergent responsibilities of authorizing and appropriators, because so many of your Members serve. And those who don't serve probably have some very good connections with those who do serve.

But there are, undoubtedly, Senators themselves who are disadvantaged by the fact that they can't all serve as both Chairman of the authorizing committee and the appropriations subcommittee.

Chairman BOREN. Well, you are right about that.

Do you think that we can, in fact—we have had this discussion earlier with Senator Kassebaum, who expressed some skepticism about it. Senator Byrd seemed to think that, perhaps, ultimately if we set our minds to it, we could enforce the rule.

Do you think that we really can be successful in enforcing the rule that no appropriations will be made for projects that are not authorized, that there will be no legislation on appropriations bills, and that the Appropriations Committee will, therefore, be in the function of reducing—appropriating below the authorized levels or at the authorized levels? Do you think that that is achievable under the present system?

Mr. BROWN. Senator, I think that is imminently achievable, and I commend you for offering that suggestion. I hope you will pursue it vigorously.

And again, I am not an absolutist in this regard. There are definitional problems.

Chairman BOREN. Yes.

Mr. BROWN. Which you cannot totally overcome in this situation. We have a parliamentarian who has spent years accumulating precedents as to what constitutes legislation on an appropriation bill, and there is still fuzzy areas about this. So you will not resolve all problems, but you will resolve 90 percent of the problems.

Chairman BOREN. Well, thank you very much. I really appreciate your taking the time to come. And I apologize. One of these days we will be able to schedule—I think this is another dream of this committee, that we will be able to schedule our Floor voting, our committee hearings, and the rest of it in a way that we won't be

pulled back and forth. But I apologize to you that we had to vote on the Senate Floor, and I was not able to be here in person while you were here.

Mr. BROWN. No apology is necessary. We all are familiar with that situation. Fewer committees, of course, would help.

Chairman BOREN. Would help a great deal. Thank you very, very much.

Our concluding witness today is Senator Bill Roth. Senator Roth was elected to the House of representatives in 1966 and then to the Senate in 1970. He is the Ranking Member of the Governmental Affairs Committee. And he also serves on the Banking Committee, the Finance Committee, and the Joint Economic Committee.

He and I worked together on a wide range of issues in the Finance Committee, including problems facing the economic future of our country and several ideas which we have shared about ways in which to make our country more competitive in the international marketplace.

His concern that the Congress has not faced up to long-term economic challenges is one that I certainly, strongly concur with him in making that statement. I appreciate his taking the time to come and present his thoughts to our committee.

At this time, Senator Roth, we welcome you and would welcome your statement.

#### STATEMENT OF HON. WILLIAM V. ROTH, A U.S. SENATOR FROM DELAWARE

Senator ROTH. Well, thank you, Mr. Chairman. It is always a pleasure to work with you and the other Members of this committee.

I am grateful for the opportunity to appear here to participate in a process which I hope can help Congress do a more effective job on behalf of the American people. One of our most important tasks is the allocation of scarce budget resources, and that is the topic I intend to address today.

Today, as you consider the budget aspects of your overall task, I would like to offer my ideas regarding a 2-year budget plan. I believe that a 2-year budget cycle can help to insure the more effective use of taxpayers' dollars and at the same time help to restore the public confidence in our policy-making process.

It seems appropriate, however, to first make some general observations which I believe can help define the context within which my very specific suggestion will have to work.

As you consider the reforms for this institution, I believe that it is important that we do not anticipate simple solutions or quick, easy fixes. The shortcomings of our work are often, if not predominantly, matters of policy disagreement as opposed to procedural inadequacies.

We need to recognize the fact that for the last decade substantial annual spending deficits and a huge national debt have dominated the legislative process making it almost impossible to think of budget other than in terms of eliminating these monstrous problems.

But as overwhelming as they are, it is important to remember that good budget practice is also essential for the delivery of good programs. Responsible budgeting can lend certainty and stability to program operation and, in conjunction with the authorizing and oversight functions of Congress, can provide for program accountability and performance evaluation.

I believe, Mr. Chairman, we must take steps to enhance the budget process. One step would be the establishment of a biennial budget. In recent Congresses, I have worked with my colleague, Wendell Ford, and developed a proposal which has twice been reported by the Committee on Governmental Affairs for consideration by the full Senate. And I know that David Boren, our Chairman, and Pete Domenici have favored similar proposals.

Mr. Chairman, the concept is, indeed, simple in form. The Biennial Budget Act is designed to put the budget on a 2-year basis. It creates a 2-year budget resolution and appropriations cycle, and, I would like to stress, 2 year appropriations process. The first session of each Congress would be devoted to the budget resolution and appropriations culminating with a 2-year budget effective that October 1. The second session would be devoted to oversight and multi-year authorizations.

I believe there are several strengths in such a plan. It brings a more deliberative and careful consideration to budget decisions. This can provide for greater certainty in agency planning; and in some cases, may make budget gimmickry more difficult. Both outcomes promote credibility and fairness.

By providing funds for a 2-year period, more efficient program planning and administration can be realized. Speaking to this point at a 1988 Committee on Governmental Affairs hearing, then Department of Defense Comptroller Robert Helm made what I believe to be a very persuasive argument. He said, and I quote: "As a result of the current process, defense budgets are plagued with uncertainty; program managers have little time to develop rational program execution plans based on available resources, when the available resources become known mere weeks before the next year's budget is transmitted to the Congress. Ironically, in this period of concern over the deficit, the budget process lends itself to the least economical use of our Nation's resources by denying program managers the very tools they need: stability, predictability, and commitment."

These same arguments apply to procurement officers in every agency of the Government as well as by our State and local governments and individual recipients of Federal funding.

While legislation to establish a 2-year budget does not eliminate any of the processes used by Congress, a 2-year cycle reduces the repetitive nature of the current system. Each year the Congress usually considers the budget resolution, annual authorizations, appropriations, and, generally, reconciliation. On top of this we have tended to rely on budget summits which make for an even more repetitive system.

Even without a budget summit, the annual redundancy causes widespread frustration. Streamlining the process could reduce its repetitive nature. But by making the decisions once every 2 years instead of twice, we reduce the burden. In addition, we avoid debat-

ing an issue which might have been decided earlier in the Congress.

The 2-year budget will allow more time for consideration of underlying authorizations, which will help promote a smoother appropriations process, a process which is more accountable to the American people. Oversight, Mr. Chairman, is critical to program review performance and accountability. Every program should at least be reviewed once every 5 years.

Finally, the 2-year budget cycle may help to reduce the deficit by providing authorizing committees with a stronger ability to review entitlements and other Government functions. By retaining the budget mechanisms, the Congress can insure that it does not spend more in the second year of the cycle on supplementals. Supplementals will, of course occur; but all decisions must be made within the parameters of the overall spending guidelines in the 2-year budget resolution.

Programs will no longer rush to spend dollars at the end of the fiscal year as the 2-year budget allows for carry over. This will help eliminate wasteful end-of-year practices.

The 1990 Budget Enforcement Act is a good example of the efficiencies which can be realized when a multi-year approach is set forth in law. That act established spending caps in domestic discretionary, international, and defense spending for the first 3 years of the agreement. In fiscal year 1993, the Congress completed action on almost all appropriations bills before the beginning of the fiscal year.

While the budget summit did not include 2 year appropriations, which I favor, the spending caps made for a much smoother, efficient budget process during the second session of the last Congress. And though I have disagreed with the content of the last two budget summits, primarily the increased taxes and the inability to reduce spending, I do believe budget summits show that multi-year budgeting can work. Both the 1990 Budget Enforcement Act and the 1987 Budget Summit Agreement set out spending and tax guidelines for multi-year periods. The overall totals helped Congress move briskly on the budget. Fiscal year 1988, coming on the heels of the 1987 summit, was the first time in more than a decade that the Congress completed action on all 13 appropriations bills before the beginning of the fiscal year.

The budget agreements laid the foundation for multi-year periods. The leadership did not let the uncertainty of economic forecasts deter them from moving toward a multi-year plan. This proposal for a 2-year budget cycle would make permanent the success we have had so far with multi-year agreements by institutionalizing the process within the current structure of the Congress.

Despite the recent success with the appropriations process in fiscal year 1993, Congress's record on enacting appropriations bills on time has not been as successful as was hoped when the 1974 reforms were enacted. This current procedure is frustrating at best. Authorizing legislation is frequently attached to appropriations bills without adequate consideration. It is my impression that the public does not have a good understanding of what is contained in these bills. With this lack of understanding, it is difficult for the public to hold Members accountable for their votes. A 2-year

budget will allow for a more thorough and careful review of Government programs and Federal spending.

In closing, Mr. Chairman, I would note that some might say that the budget of the U.S. and its enactment are much too complicated in terms of content and in the enacting process for us to expect to be able to come up with simpler alternatives. I would disagree. I think we can benefit from better tools. The 2-year budget is such a tool.

Thank you for the opportunity to testify.

[The statement of Senator Roth is printed in the Appendix.]

Chairman BOREN. Thank you very much, Senator Roth.

I want to turn, first, to Mr. Spratt.

Mr. SPRATT. Thank you, Senator, very much for your testimony.

We have had two schools of thought about the 2-year budget. One is that it would be a simplification of procedures and an end of redundancy and active budgeting here in Congress.

The other is that the supplemental would normally be a functional equivalent of an outyear budget cycle. Each year you would have to go back and not only do a supplemental for things that were not adequately covered in the biennial budget to start with but also to try to undo some of the mistakes that were approved by narrow margins that have proved to be problematical.

Senator, Chairman Natcher testified just the other day it was his impression of State legislatures, which have the biennial budget, that a large part of the second year was spent doing just that.

How do you react to that, sir?

Mr. ROTH. I think that is, to be candid, unduly pessimistic. As I said, I think our experience with the 1987 and 1990 agreement have shown that it can work. The system is flexible.

Yes, there will be some changes in the second year; but that doesn't mean you have to go through the complete procedures.

To me, what I am proposing, Congressman Spratt, is very simple. What we are really saying is that 1 year—and I think very important—1 year we use for the budget resolution, for the appropriations. But what is particularly important, that frees up the Congress for the second year to review, in depth, the results of the programs.

You know, there is a lot of talk about reinventing Government, and what concerns me is that we are not moving fast enough along that direction. One of the things that is critically important is that we have better oversight. I think this 2-year process frees up the House and the Senate for the second year to give much greater oversight as to each program and particularly in view of the fact if we establish performance goals, that that will be critically important.

But if I could point to the other aspect of the proposal that I think is key, I don't know what your experience is, but when I go back home and talk to my schools and others, they all say that the more knowledge, the more certainty there is to what funds they are going to receive, the better job they can do. So it seems to me this is a reform that will strengthen, very much, the hands of the recipient of the program, and from that point of view is very important.



But going back to your basic question, there is enough flexibility, I think, in the system to take care of those cases where changes have to be made. But I do not, in any way, think that means that you have to repeat the entire process through supplementals.

Mr. SPRATT. Let me ask you a question I have put to most witnesses who have come here to testify about the budget process. Do you think we should make any change like this without also dealing with the one gaping hole in the process now, and that is the lack of any real budgeting of entitlement expenditures?

Mr. ROTH. I would recommend—I don't have any specific recommendations, but I think entitlements have to be looked at. Let me say I think that my proposal here can work very well. It is only part of the reform I would bring about, as I say, what I consider to be a very simple one. I would think you would want to look at how we handle entitlements. I certainly listened with great interest as to what Nancy Kassebaum thought. This is not the full reform that I think is necessary but just one step.

Mr. SPRATT. Thank you very much.

Chairman BOREN. Thank you very much.

Mr. Walker?

Mr. WALKER. Thank you, Mr. Chairman.

I start off at this sympathetic to the idea of biennial budgets. I think it is an interesting reform proposal and is something that we really ought to look at. There are two things that raises questions.

First of all, it appears to me in the system that you outline here that someone proposing a new program would have to wait quite a long time for any funds to be enacted for that program. For example, it appears to me that you would—in any kind of a new authorization, you would obviously not be able to get it the first year of the Congress; so you would have to wait until the second year of the Congress to be able to propose a new program. And then that program could not be funded until the beginning of the next Congress, which means it would be, yet, a third year before actually any money was spent on a new program.

I am just wondering—maybe that is your intent. It certainly would put some degree of time on any new programs. But it would also, it seems to me, would have a deleterious affect, when there was a need for new programs, to meet very legitimate needs of the Government at a particular time.

Mr. ROTH. Well, let me start out by saying that, ordinarily, I find that new programs take a year or 2 to get adopted anyway. I am not sure, in the ordinary circumstance, it would make that much change. But there are—you are right, there are times and occasions when there is a special need.

The supplementals and—that is something I think there would have to be some flexibility on. But as a general rule, I think we need to take a longer look at what we are doing than when it seemed to be the days when I first came to the Congress. It was the sort of thing where there was so much money, how can we spend it fast enough with the new programs? I think we need better planning.

But I do think there has—you make a valid point. There has to be some flexibility in the system so that, where the need is there, it can be met.

Mr. WALKER. Well, I am thinking, for example, of a new President coming to Washington who has just been elected with a mandate, some of which would be a new program mandate. In terms of getting authorizations for those programs, that President could not do a 100-day program under your proposal, would, basically, have to wait until the second year to have his programs authorized and then would get an appropriation the next year and wouldn't begin the spend-out until the third year.

What I am suggesting is, he would be well into his presidency before his new programs would ever see any money flowing, if they fit the regular process.

Mr. ROTH. Some of us think that wouldn't be all bad.

Mr. WALKER. I understand that. And maybe that is a part of the genius of your content here, that it would delay that kind of thinking.

On the other hand, it would create, I think, the impression of the American people that new Presidents were not doing that which they were sent to Washington to do.

One other point, and it follows on something that Mr. Spratt was talking about. One of the places that I think the most gets done, at least in the House, is when we have supplemental appropriations and when we deal with emergencies, that if you set up a system that, basically, encourages people to believe that there are going to be a series of supplementals come along that more mischief gets done there than gets done in the regular processes.

I am wondering, how you would have us deal with that if, in fact, we are going to be in a position of having to do supplementals in the second year? How do we prevent those from simply becoming omnibus bills with a lot of mischief in them?

Mr. ROTH. I suppose any system you adopt does require some self discipline, and that is true of this. I would hope that we would move to it with the support of both the House and Senate.

If they go in there with the intent of making the supplemental a principal use, it would undercut. But that is unfortunately almost the problem with any reform. And under the worst circumstances, you can destroy its effectiveness.

I think there is a mood in Congress for real reform, and I think our experience with 1987 and the 1990 budget agreement gives some hope that this kind of approach would work.

Now, I would point out, as I mentioned earlier, it has bipartisan support. You can—you know, you might play around with the dates a little bit as to how you proceed and give more flexibility in the case of a new administration. But I think the important thing is the move to a 2-year budget so that more time is devoted and not just to the budget and the appropriation process but to oversight and performance.

Mr. WALKER. Thank you, Mr. Chairman.

Chairman BOREN. Thank you very much.

Let me ask, one of the problems we have around here is that we tend to take up the same issue over and over and over again.

Mr. ROTH. Exactly.

Chairman BOREN. And we fight it on authorizations; we fight it on appropriation bills; and we fight it—at least in the Senate, perhaps not in the House—but we fight it in terms of nongermane

amendments and everything else that moves along so that we get into a controversial debate about a weapons system or some other issue that tends to come up maybe 10 times a year.

And I believe Senator Magnuson, at one time, said we have voted on busing, I believe he said, 92 times 1 year and so on. So there are certain subjects that keep coming up.

There would be some temptation for those in a 2-year budget cycle, those that had lost the fight in the first year, especially if it had been a very close vote, to come back and want to try to fight it again.

Do you have any procedural mechanism in mind that would prevent that or some sort of super majority that might be required to reopen a matter or to present a supplemental to change an earlier decision?

Mr. ROTH. I think in our legislation that Wendell Ford and I proposed and was reported out by the Government Affairs Committee, we didn't have any such super majority.

But I think that would be a reasonable approach. You do get into some difficult problems of what you mean by having considered it before and what represents a real change. But I suppose, overall, what we are trying—well, I will withdraw that. I think by requiring more than a simple majority probably is the best way.

Chairman BOREN. In other words, you really might slip back into the process, but you understand some legislatures have, where the supplemental appropriation bills in year 2 really do reinvent everything that was done in year 1, if you didn't have some sort of a break built in there against that tendency?

Mr. ROTH. No. I think that is a worthwhile suggestion, Mr. Chairman.

Chairman BOREN. You, of course, serve on several committees, as I indicated in the introduction of you to the committee, what are the kinds of things you think we should be doing in terms of oversight that we are not now doing because we are devoting so much time and energy to going through the appropriating and authorizing process all over again every year?

Mr. ROTH. Well, first of all, Mr. Chairman, I think we ought to establish performance goals for all programs, first by the Congress, and then implementing goals by the Executive Branch so that when we adopt a program, whether it is to feed the hungry or build highways, we establish some criteria as to what we expect to accomplish. That is point number one.

Then, I think in the second year of the 2-year cycle, the authorizing and appropriations committees should be looking to see to determine what success has been met in reaching those goals. If they succeed, then the program may be fine; and maybe they should have more money in the eyes of the proprietor. If it is not, what reform, or should it be deleted? I think this is a critical change. When we talk about reinventing Government, I think this is one of the most important changes that we could bring about.

The Senate, of course, last year, did adopt some legislation on performance goals; and I am very optimistic. I know the administration supports the concept. So I think we will move in that direction.

But clean—up that second year will mean that the committees really have the time to hold not just a two-hour hearing but really go into some depth as to whether or not the programs are working.

Chairman BOREN. All right. Well, I think you make a very good point. I assure you, as you know, there is a lot of interest that has been expressed in the concept of the multi-year budget process.

We have already referred to our Vice Chairman on the Senate side, Senator Domenici, he has talked to us about it. And I assure you that this and other ideas that you furnish to this committee will certainly receive very serious consideration.

As we have indicated, we do believe we are at one of these moments in time in which we should consider major reforms of the institution so that it will function as we all hope that it will so that the talents and energies of Members will be more fully utilized and so there will be more accountability back to the public.

We appreciate, very much, your taking the time to come and testify and to share these thoughts with us.

Mr. ROTH. Thank you, Mr. Chairman. I applaud and thank you for the leadership you are presenting here. And I do urge the committee that the time is here, the time is ripe, for what I call substantial reform.

We often have these committees, many times, since I first came to Washington; but too often we end up—we only nibble at the edges. And I think the time has come for substance.

I thank you for your time.

Chairman BOREN. I couldn't agree with you more. Thank you very much for being with us.

I might say, for the benefit of Members, that we will resume the hearings of the committee on Thursday at 10 o'clock in room SE-5 in the Capitol. We have seven witnesses from the House of Representatives beginning with Congressman Stenholm at 10 o'clock. And, again, the major topic will be budget process reform.

So we will stand in recess until that time.

[Whereupon, at 4:35 p.m., the committee was adjourned.]

## APPENDIX

### Opening Statement

Robert S. Walker

Joint Committee on the Organization of Congress

March 16, 1993

Mr. Chairman, I was really quite struck by the testimony of Chairman Natcher last week when he said that the appropriations process, and I quote, "affords every Member of Congress . . . a very effective way to participate." Now to most Members in the House, and I suspect many in the Senate, that appears counter-intuitive. It appears that way, I'm afraid, because just the opposite is, in fact, the case.

The appropriations process is probably the most exclusive, secret activity of this Congress. It is also perhaps the most important. Why should the process that makes the final, actual decisions on the Federal budget, and, therefore, the public policy of nearly every government agency each and every year, involve just 13% of the House and 29% of the Senate? After all, it is common practice for appropriations bills to be marked up by less than ten Members in a closed session, embargoed until as little as hours before floor consideration, and then cleared for the President's signature without even printed copies of the Conference Report available. Obviously, this is not an effective way for Members to participate and it is in desperate need of change.

That is why I am so anxious to have today's witnesses. We will be hearing from three of the most respected, thoughtful and experienced Members of Congress on this very problem. Each has his or her own particular suggestions, but all three agree dramatic reform must occur as part of the work of this Committee. One, my Chairman from the Science,

Space and Technology Committee, George Brown, is a comrade-in-arms in this fight and the courageous leading defender of authorizer rights in the House.

But I am particularly interested in Senator Kassebaum's presentation today. Going all the way back to the 100th Congress, she and a bipartisan group of her colleagues introduced a proposal to combine the authorization and appropriations processes so that every Member of Congress would be able to truly participate in the budget process. Recently, due in large part to the mandate of this Committee, this idea has been getting more and more serious attention. I indeed hope Senator Kassebaum was merely ahead of her time.

In January, 1991, unaware of Senator Kassebaum's proposal, I, too, introduced a measure along these lines with slight variations. I independently arrived at this conclusion from the experience I have shared with George Brown as the Ranking Republican Member of the Science Committee. Although our authorization bills have directed and limited spending and set policy and program priorities, they have been ignored, even violated, in the appropriations process.

My proposal would require binding budget resolution functional allocations and revenue projections, consistent with Budget Enforcement Act targets, to be made directly to the relevant authorizing committees for direct funding or collection. Overlapping jurisdictions would be eliminated. Supplementals would also have to be reconciled against the Budget Act. True continuing resolutions could be recommended by the Budget Committees only if necessary after September 15. And, Members serving on the Budget Committee could not serve on an authorizing committee.

This process would bring much greater discipline to the system. It would require a

theoretically objective, disinterested budget panel to set broad government policy regarding the relative share of available Federal resources that should be dedicated to general purposes (i.e., defense, science, housing, etc.). For the first time, the actual funding decisions would be in the hands of the people with the greatest expertise on policy and priorities within these general issue areas. The Science Committee, for instance, would be making all actual spending decisions by rationalizing priorities, against a set pot of money, within its logically comparable jurisdiction (e.g., relative merits of the SSC versus the Space Station, instead of more VA benefits versus the Station, as is the case now). This takes the power of the purse out of the hands of a relatively chosen few and spreads it out over the whole Congress, reducing the "insider trading" that often results in pork-barrel, meritless appropriations. No Members would have a hand in all funding decisions as they do now.

Mr. Chairman, I enthusiastically note the cosponsorship of Senator Kassebaum's measure by 13 other Senators, including eight Democrats and even a Senate Appropriations cardinal. It is especially encouraging to have three Members of the Joint Committee on board as well. This Committee has also taken testimony in the House in support of this concept. Therefore, I urge my colleagues to give today's testimony very real consideration and hope we take this unique opportunity to actually do something that will allow each and every one of the Congress' 450 non-appropriators to finally participate. Thank you, Mr. Chairman.

TESTIMONY BEFORE THE JOINT COMMITTEE  
ON THE ORGANIZATION OF THE CONGRESS  
SENATE REFORM, S.Res.13  
by Senator Nancy Landon Kassebaum  
March 16, 1993

Mr. Chairman, I appreciate the chance to discuss one of my longstanding proposals to restructure the Senate budget-authorization-appropriation process and committee system. Thirteen other senators now have joined as cosponsors of legislation which I have proposed for that purpose in each of the past three congresses.

This legislation would consolidate the existing three-step spending process into two steps. Today, the spending cycle begins with the Budget Committee exercising de facto control over policy priorities in the Senate by drafting and enforcing the budget resolution. The cycle ends with the Appropriations Committee resetting priorities within budget parameters. Sandwiched in the middle are the authorizing committees, whose influence on spending priorities has become increasingly limited.

We are proposing to merge the authorization and appropriations processes into one step for allocating funds within overall budget limits. It is unfortunate that this legislation has been portrayed by some as an attack on the Appropriations Committee. I believe it is far more accurate to describe it as a "melding together" of the current authorization and appropriations processes.

The current system is redundant. How often do we waste time repeating the same debate--once during the authorization and again during the appropriation? This does nothing to improve deliberation in this body. It merely burdens our schedule and adds to the perception that no decision is final.

Under our proposal, a Leadership Committee, comprising the chairmen and ranking members of all other committees, would begin the spending process. It would perform many of the functions of the current Budget Committee, setting overall spending priorities and handing down binding budget limits.

The individual chairmen and ranking members then would enforce the budget limits through their individual committees, allocating resources within those limits. They would judge both the merit and the priority of individual programs--functions now divided between authorizing and appropriating committees. But it is important to remember that each individual committee would be fiscally constrained by its overall budget limit.

We make no pretense that this legislation is perfect. For example, we are well aware that the portion of the federal budget now growing out of control--mandatory spending--does not pass through the appropriations process. Chairman Natcher pointed out last week that although half of all spending is appropriated, only 35 percent of total federal spending is truly discretionary. His creative proposal to sunset or regularly review entitlement programs is a measure which I have supported and which I believe could be an important supplement to this procedural reform.



Similarly, Senator Byrd spoke to this committee--eloquently, as always--about the importance of individual senators shouldering responsibility for making this institution function properly. I share his belief that too often we allow the demand on our time to "fracture" our attention and distract us from the sort of thoughtful debate this body is supposed to engender. No procedural reform can substitute for the political will to serve with a constant eye to the public good.

But I do believe that certain procedural reforms can help strengthen our political will. By making the legislative process less confusing and more comprehensible, both for ourselves and for the public, this legislation can make us more accountable. Democratic institutions work best when their workings are plain for all to understand.

In this legislation, important details about many matters remain to be settled, and we invite debate. What is important now, however, is to focus on the concept. I strongly believe that eliminating one layer from the current three-tiered spending process makes sense.

Mr. Chairman, let me conclude with three general observations about this legislation.

First: accountability now is lost in a confusing, redundant spending process and a maze of overlapping committee jurisdictions. When legislation fails its purpose, does blame lie with the budget priorities, the policy, or the appropriation? In the eyes of the public, it lies with us all. Everyone, and yet no one, is responsible for the budget deficit we have created through this process.

This legislation creates clearer responsibility for decisions to spend or to cut spending, to raise or lower taxes. It impedes the temptation to pass the buck.

Second: critics of this legislation often point out that the Appropriations Committee was established to promote fiscal restraint. They argue that our proposal would weaken, not strengthen, fiscal restraint by eliminating the fiscal "gatekeeper" function of the Appropriations Committee and allowing runaway spending by authorizing committees.

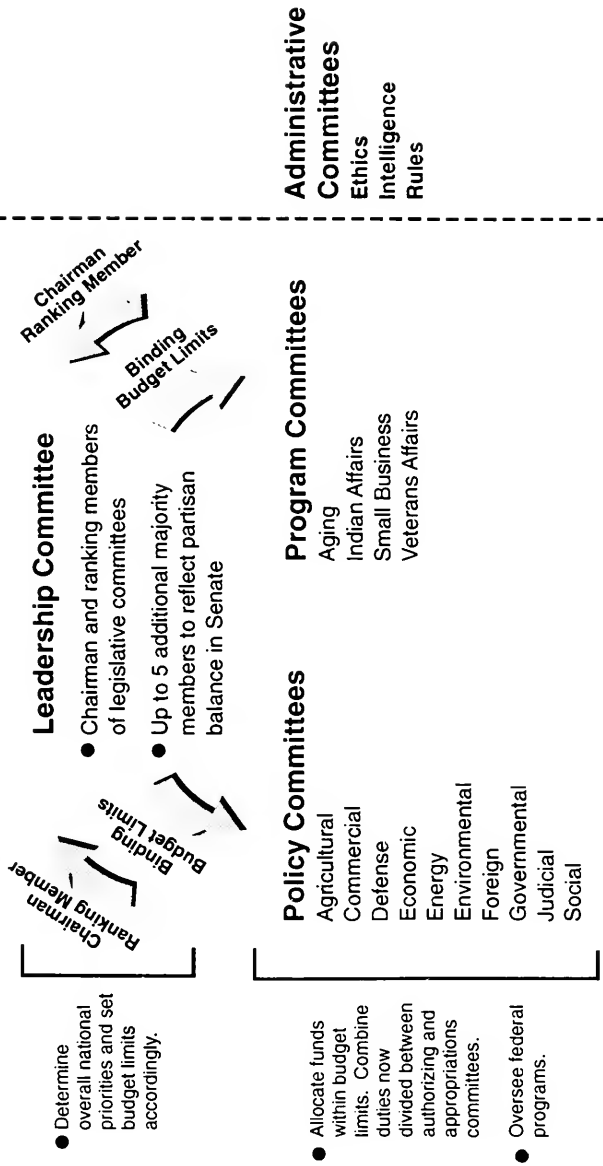
We do not believe the problem is the Appropriations Committee per se, which has performed its intended function admirably. Rather, the shortcoming lies with the overall spending process. When the Appropriations Committee was established in 1867, it constituted an effective second layer in the spending process. A cumbersome third layer was added when the Budget Committee subsequently was created in 1974, and I believe it is not by coincidence that fiscal restraint began to dissolve soon after. This is not the fault of either the Budget Committee or the Appropriations Committee. It is in large part the fault of an inefficient three-tiered process that should be returned to two steps.

Third: while this legislation is far-reaching, I believe this committee must not fear to be bold. Tinkering will squander our mandate for little benefit. The most worthwhile reforms will not be cosmetic but will seek to improve the Senate's basic work of setting public priorities and allocating public money to achieve them. If we make ourselves more accountable in that process, I suspect many related problems will resolve themselves.

# Reformed Senate Committee Structure

S. Res. 13

## Legislative Process



Testimony of Representative George E. Brown, Jr.  
before the  
Joint Committee on the Organization of Congress  
March 16, 1993

Thank you, Mr. Chairman, for the opportunity to appear before the Committee. I salute your efforts to make the Congress an institution which is more understandable and more accountable to the American people.

I am appearing today to discuss the Congressional budgeting process in my capacity as Chairman of an authorizing committee in the House, the Committee on Science, Space, and Technology. I confess that in the 102nd Congress -- my first two years as Chairman -- I greatly underestimated the difficulty of enacting meaningful legislation to deal with the policy issues of greatest concern to the Members of the Science Committee. Much of this difficulty may be traced directly to the fact that science and technology have become increasingly central to both national and to regional economic development, and there have been significant differences of policy in the proper government role toward these matters. You are familiar with many of these issues, which include:

- o the proper role of the Federal government, vis-a-vis the States, universities, and the private sector, in promoting the development and commercialization of advanced technologies;
- o the proper balance between "big science" projects such as the Space Station and the Superconducting Super Collider and "small science"

performed principally by university researchers; and

- o the proper balance between international cooperation and international competition in science, space, and technology.

Mr. Chairman, as significant as these issues are, in many cases it has not been policy differences or divided government which have precluded legislative action on them. More often than not, the impediment has been the internal rules of the institution, particularly the rules governing the authorization and appropriations processes. I will devote the rest of this testimony to ways in which these processes may be better harmonized.

#### Do We Need a Three-Step Budget Process?

In the current three-tiered budget process, the Budget Committees draft the overall budgetary plan, the authorizing committees draft legislation which creates programs and policies, and the Appropriations Committee determine levels of discretionary spending for authorized programs. In practice, of course, the three functions have become increasingly overlapping and intertwined. Some members, including Senator Kassebaum and Congressman Walker, have argued that the three-step process is so confusing and full of redundancies that the authorization and appropriations processes should be compressed into a single stage.

Although Ms. Kassebaum's and Mr. Walker's arguments are compelling, one is forced to recognize the political and practical difficulties in achieving a total realignment of Committee jurisdiction in the Congress. I am also aware of and

grateful for the pledges that Mr. Natcher made before this Committee last week to protect the prerogatives of the authorizing committees. In light of these pledges, I would not at this time endorse a merger of the authorizing and appropriations functions. However, I will recommend a number of changes to the Committee today to bring these functions into better balance.

### Legislation in Appropriations Bills

Conflicts between authorization and appropriations committees are usually due to one of two factors: the inclusion of legislation in appropriations bills or unauthorized appropriations. The subject of legislation in appropriations bills was debated extensively in the House last year as part of a proposed set of rules changes offered by Mr. Dingell, Mr. Miller, and myself. I have attached to my testimony a copy of the recommendations that were made by this group of authorizing Chairs. Ultimately a compromise was reached in the House whereby the authorizing committee chair will retain control of motions governing the disposition of amendments-in-disagreement to appropriations conferences. Authorizers will not, however, be conferees on legislative amendments, nor will they have any special role on waivers protecting legislative amendments. The effectiveness of these new rules will of course largely depend on how often they are waived.

### Unauthorized Appropriations

It has been argued that unauthorized appropriations, while widespread, are not significant -- perhaps encompassing only about six percent of all appropriations.

Most unauthorized appropriations occur in three Federal departments (Energy, Justice, and Agency for International Development) which have lacked an authorization for many years, suggesting that unresolvable policy issues and not the imperialism of the Appropriations Committees are at the heart of the problem of unauthorized appropriations.

I would suggest that the figure of six percent vastly understates the degree to which the authorizing committees in the past decade have been shut out of the policy-making process in the Congress (or at least in the House of Representatives). Focusing on unauthorized appropriations as an indicator of the relations between authorizers and appropriators misses cases when the authorization bill is passed too late or in too diluted a form to have a substantial effect on policy. It misses cases where authorizing committees are frustrated in efforts to amend or refine a standing, organic authorization. And it misses cases in which the appropriations bills either exceed authorized levels or earmark funds for unauthorized projects.

Let me give some examples of how the process has shut the Science Committee out of a meaningful role in policy formulation:

- o Department of Energy. The Energy Policy Act of 1992 contained the first comprehensive energy R&D authorization since 1981. In that 11-year interval, comprehensive energy R&D legislation was reported five times and passed by the House three times. The Senate did not act on any of these occasions. Further, in the 1992 Act, all House-passed provisions which would have imposed future authorization requirements (e.g., for

construction of projects above a certain size) were stripped from the bill in conference at the insistence of the Senate. I believe that the Senate's resistance to the authorization process has been largely due to the fact that in recent years the authorizing committee and the appropriations subcommittee with purview over the Department of Energy are chaired by the same Member, who finds it easier to control policy in the appropriations process.

- o National Aeronautics and Space Administration. The Committee has been extremely diligent in processing the NASA authorization bill, which is normally one of the first major authorization bills to pass the House. In recent years, however, there has been a consistent lag of four to eight months between House and Senate passage, with the result that the authorization bill is usually enacted well after the appropriations bill. And while the House bill is normally a two to three-year authorization, the Senate always insists on a single-year authorization. Despite its opposition to multi-year authorizations, the Senate included an amendment in the Appropriations bill which mandated an eight-year expenditure floor of \$8 billion for a specific NASA program (we struck the provision when the bill was considered on the House floor). Appropriations report language is often replete with micro-management of the space program, including directives on which launch vehicles should be used for individual scientific missions and the construction sequence, design parameters, and uses of the Space Station. The chair of the authorizing committee in the Senate also serves on the Appropriations Committee.



- o National Science Foundation. Last year, the Committee passed an NSF bill, but it died because of lack of interest in the Senate. At the same time, the appropriations report for NSF contained both unauthorized earmarks which significantly changed the direction of the agency and language directing a fundamental re-orientation of NSF's mission. Floor colloquies and a blue-ribbon commission were ultimately needed to prevent the agency from being recast to the mandate expressed in appropriations report language. The appropriate way to re-orient the agency's mission, of course, would be through a re-examination of the agency organic act.
  
- o Superconducting Super Collider. In 1990, the House passed a comprehensive program authorization for the largest earth-based science project in history, setting goals, milestones, and reporting requirements to initiate an effective oversight process. The legislation was not considered by the Senate authorization committee, whose chairman also oversees the relevant appropriations panel.

### Restoring the Balance

There is little doubt that the historical tension between the authorizing and appropriating committees has worsened in the past decade. Witnesses before this Committee have argued that much of this tension is due to unresolvable policy differences, or will disappear with unified government, or is correctable with more aggressive legislative action on the part of the authorizers.

The examples that I cited above demonstrate that the problem is severe and that it is not as easily solved as some have suggested. The Science Committee has assiduously reported authorization legislation for all the agencies and departments within its jurisdiction, usually on a multi-year basis and often three to six months before the beginning of the fiscal year. But despite these efforts and despite our experience with, and knowledge of science, space, and technology programs, Members of the Science Committee are regularly frustrated from exerting their rightful input to the policy process. The cause of this frustration is institutional - that is, it is largely due to the culture and the rules of the Congress itself.

Let me suggest some proposals for the Committee to consider in its examination of the interaction between the authorization and appropriations processes.

First, and most importantly, Members in both Houses should serve either on authorization committees or the Appropriations Committee, but not both. For the reasons cited above, fundamental imbalances are created when Members of the Senate are permitted to serve on both Committees. Inevitably, Members will prefer to legislate in appropriations bills (or the accompanying reports), which by their nature and by the rules of both Houses, are more protected from debate, amendment, and perfection than are corresponding authorization bills.

Secondly, although the House has rules to prevent unauthorized appropriations

and legislation in appropriations bills, the rules are routinely waived<sup>1</sup> I am very impressed with Mr. Natcher's pledge to make the appropriations process more regular and more fair, but I also recognize that he will not always be in a position to control the flow of legislative provisions that may originate in the Senate. Waivers to these rules should be allowed only in extraordinary circumstances, and only with the concurrence of the authorizing committee.

Thirdly, I believe that all reasonable changes should be considered which would require enactment of multi-year authorization legislation prior to enactment of appropriations legislation. As discussed above, although there are times when policy differences preclude action on authorization legislation, in many cases authorizations languish simply because it is more convenient for Members to deal with policy in appropriations bills and report language. But if the Houses can not find the time and will to deal with authorization bills, then the authorization and appropriations processes should be compressed into a single step.

Mr. Chairman, that concludes my testimony. Thank you for your attention, and I would be happy to answer any questions that Members may have.

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<sup>1</sup> Perhaps the most egregious recent example involved ten unauthorized earmarks, totalling \$94.5 million, which were contained in the FY 1993 Energy and Water Development Appropriations bill. Although neither the House nor Senate bill contained these projects (which were unauthorized and in fact largely outside the scope of the Department of Energy's mission), they were inserted in conference and reported back to the House in technical disagreement. On September 17, 1992, the House struck the amendment in technical disagreement containing these provisions by a vote of 250-104. Less than three weeks later, however, the projects were re-inserted in the Defense Appropriations bill and protected from a second vote by waiver of the relevant rules.

Attachment to the Testimony of  
Congressman George E. Brown, Jr.  
March 16, 1993

Attached are six proposals that were discussed last year as the Democratic Caucus and the House considered changes to its Rules. The first four proposals dealt with legislative language in appropriations bills and were endorsed by a coalition of authorizing Chairmen. Proposals #1 and #4 were substantially adopted in House Rules. The final two proposals were offered by Rep. Brown in the caucus; after discussion, they were withdrawn.

1. Amend House Rule XX by adding at the end thereof the following new clause:

"3. At any time after the House receives from the Senate a general appropriation bill with an amendment of the Senate that would be in violation of the provisions of clause 2(c) of Rule XXI if said amendment originated in the House, and before a report on such bill is made to the House by a committee of conference and printed, the Chairman of any standing Committee having jurisdiction over the subject matter of such amendment (other than the Committee on Appropriations) may request in writing the referral to such standing Committee of the Senate amendment pursuant to Rule X, clause 5 for such time as the Speaker may provide which shall not be later than the time at which a report by a committee of conference is filed. A copy of the request shall be provided by such Chairman to the Chairman of the Committee on Appropriations. Any Committee to which such amendment is referred may file a report with appropriate recommendation regarding disposition of such amendment. During any consideration of such Senate amendment, the Chairman of any such Committee (or his or her designee), whether or not such Committee has filed a report, shall have a right of recognition to offer the original motion to dispose of the Senate amendment: provided, that any such Chairman (or his or her designee) gives notice prior to consideration of such Senate amendment to the House of an intention to offer such original motion and the form of such motion. It shall be in order to debate such motion for one hour. Notwithstanding clause 2(b) of Rule XXVIII, the time allotted for debate on any such original motion shall be equally divided between such Chairman and the floor manager of the bill for the majority party, except that if such Chairman and floor manager for the majority party are both supporters of the original motion to dispose of the amendment, one-third of such debate time shall be allotted to a Member who is opposed to said motion. Such motion shall be disposed of before consideration of any other motion with respect to that Senate amendment. At the time of referral or thereafter, the Speaker may, in the case of referral to more than one Committee, designate a Committee of primary jurisdiction. For purposes of recognition, the Chairman of that Committee (or his or her designee) may be given priority to offer the original motion over any other Chairman of a Committee to which such Senate amendment has been referred."

#### EXPLANATION

The OSR proposal would merely add 30 additional minutes for debate on a motion made by the House Appropriations conferees to dispose of a Senate legislative amendment, and the Majority from the relevant authorizing committee(s) would be entitled to only half of that 30 minutes. By contrast, the Appropriations managers would continue to control 60 minutes of debate and would determine the form of the motion. i.e. whether to insist on

disagreement, recede and concur in the Senate amendment, or recede and concur with a further amendment. In effect, the authorizing committees would continue to be barred from any significant influence on the outcome of legislative matters within their respective jurisdictions.

The proposed substitute, by contrast, would place control of the disposition of Senate legislative amendments where it properly belongs – with the appropriate legislative committees. The substitute would enable committees of jurisdiction to seek referral of Senate legislative amendments and, time permitting, to report alternative language. The referral could last no longer than the time of filing of the conference agreement.

Subject to notice being provided to the House prior to floor consideration of a Senate legislative amendment, the Chair of the authorizing committee having jurisdiction over the amendment would have a right of recognition to offer the original motion to dispose of the Senate amendment. One hour of debate would be provided on the motion, one-half controlled by the offeror of the motion and the other half by the floor manager for the Appropriations Committee. (If the manager supports the motion, one-third of the time would be allocated to an opponent, in accordance with the usual House custom.) In the event that more than one authorizing committee had jurisdiction over the amendment, the Speaker is given the authority to designate a primary committee for recognition to offer the original motion.

2. Amend the last sentence of clause 6(f) of House Rule X to read as follows:

"The Speaker shall name Members who are primarily responsible for the legislation and shall, to the fullest extent feasible, include (1) the principal proponents of the major provisions of the bill as it passed the House, and (2) Members from committees of jurisdiction as conferees on any Senate amendment that would violate clause 2(c) of Rule XXI if said amendment originated in the House."

#### EXPLANATION

Under current practice, no conferees are appointed from House authorizing committees to conferences with the Senate on appropriations bills to address Senate legislative amendments within the respective authorizing committees' jurisdictions. This change in House rules would provide, to the fullest extent feasible, for the appointment of such conferees.

3. Amend clause 2 of Rule XX of the Rules of the House by adding at the end the following sentence:

"With respect to any report of a committee of conference on a general appropriations bill containing any amendment of the Senate which would be in violation of clause 2(c) of Rule XXI, if said amendment originated in the House, the managers on the part of the House shall not request any rule or order waiving a point of order under this clause without the agreement of the Chairman of each standing committee having jurisdiction over the subject matter of such amendment.

#### EXPLANATION

Under the current House rules, the House conferees on an appropriations bill may agree to include in the body of the conference report any Senate legislative amendment. When that occurs, the House conferees then typically insulate the Senate provision from a separate vote on the House floor by requesting and obtaining from the Rules Committee a waiver of points of order against that provision. This amendment would bar the House appropriations conferees from making such a request, thereby discouraging the Senate from seeking to force such items into the conference report. The amendment would not bar the Rules Committee from granting a waiver of any point of order on any provision of the conference report, either on its own motion or at the request of the Leadership or any other Member.



4, Amend clause 1 of House Rule XX by adding at the end thereof the following sentence:

"No such motion shall be in order if made by direction of the Committee on Appropriations unless printed copies of the numbered amendments of the Senate to the House bill or resolution have been available to Members of the House for at least one calendar day (excluding any Saturday, Sunday, or legal holiday prior to the motion."

#### EXPLANATION

The proposed substitute closely tracks the language of OSR Amendment No. 13, but adds additional language to ensure that the right to notice of any Senate amendments to an appropriations bill is effectual. In the absence of this more specific language, the notice provided by the OSR proposal could occur literally moments before the motion to go to conference is made and consist merely of the printing of the Senate-passed version in the Congressional Record. Without a copy of the bill printed with the amendments of the Senate numbered, an authorizing committee cannot properly notify the Speaker and the Appropriations Committee of its desire to be represented on the conference with respect to Senate legislative amendments within its jurisdiction.

5. Amend clause (l) of Rule XI of the Rules of the House by adding at the end thereof the following new paragraph:

(8) No report on a general appropriations bill approved by the Committee on Appropriations shall include any matter which would directly or indirectly result in the appropriation of unauthorized expenditures in violation of clause 2(a) of Rule XXI, or a change in existing law in violation of of clause 2(b) of Rule XXI, if said matter were included in a general appropriations bill.

Explanation:

House Rules currently prohibit general appropriations bills from containing provisions which would change existing law or fund unauthorized programs. However, reports accompanying House appropriations bills frequently contain extensive language which has the practical effect of changing existing law or directing unauthorized activities. While report language is not legally binding, most agencies see report language as expressions of the intent of Congress which are to be followed. In many cases, the provisions included in the appropriation reports are directly contrary to existing provisions of law or authorization bills which have passed the House. Since House report language cannot be addressed by amendments on the House floor, there is no way for the majority of Members to indicate their agreement or disagreement with report language. As a result, the Appropriations Committee can accomplish indirectly through report language what the House rules explicitly prohibit it from doing directly: authorizing in an appropriations bill.

The amendment would simply make the present House Rules restrictions on general appropriation bills applicable to the reports accompanying those bills. If language in the report would have the effect of violating House rules if it were included in the bill itself, then the language would not be permitted to appear in the report accompanying the bill. A violation of this provision would subject the report to a point of order in the same way as violations of other report requirements set out in Rule XI.

6, Amend clause 2(a) of Rule XXI to read as follows:

2. (a) No appropriation shall be reported in any general appropriations bill, or shall be in order as an amendment thereto, for any expenditure, including any expenditure for the construction or operation of a facility or project the identity or location of which is indicated in the bill or in the report accompanying the bill, not previously authorized by law, except to continue appropriations for public works and objects which are already in progress.

Ramsayer:

2. (a) No appropriation shall be reported in any general appropriations bill, or shall be in order as an amendment thereto, for any expenditure, including any expenditure for the construction or operation of a facility or project the identity or location of which is indicated in the bill or in the report accompanying the bill, not previously authorized by law, except to continue appropriations for public works and objects which are already in progress.

Explanation:

Clause 2(a) of Rule 21 presently prohibits an appropriation bill from containing funding for unauthorized expenditures. However, specific unauthorized "earmarks" for the construction or operation of a facility or project are frequently buried in the report accompanying the bill, while the bill itself contains only a simple, aggregate funding number. Since report language cannot be addressed by amendments on the House floor, there is no way for the majority of Members -- much less the authorizing committees -- to indicate their agreement or disagreement with those earmarks.

The practice of earmarking projects, particularly with respect to academic facilities, is out of control. According to CRS, of the \$2.5 billion earmarked for academic facilities in appropriation bills over the past 13 years, fully one-half of it has been appropriated in the past two years alone. The overwhelming majority of those earmarks -- 92 percent in FY92 - were buried in report language where the House could not address them.

The amendment would clarify that the present ban on unauthorized appropriations also applies to unauthorized earmarks which are identified in report language as well as those that appear in the bill itself.

**Testimony of William V. Roth, Jr., U.S.S.****Before the****Joint Committee on the Organization of Congress****Tuesday, March 16, 1993**

Thank you Mr. Chairman. I am grateful for the opportunity to appear before your committee. I am pleased to participate in a process which I hope can help Congress to do a more effective job on behalf of the American people. One of our most important tasks is the allocation of scarce budget resources and that is the topic I plan to address today.

Today, as you consider the budget aspects of your overall task, I would like to offer my ideas regarding a two year budget plan. I believe that a two year budget cycle can help to insure the more effective use of taxpayer's dollars and at the same time help to restore the public confidence in our policy making process.

It seems appropriate, however, to first make some general observations which I believe can help define the context within which my very specific suggestion will have to work.

As you consider the reforms for this institution, I believe that it is important that we do not anticipate simple solutions or quick easy fixes.

The shortcomings of our work are often, if not predominantly, matters of policy disagreement as opposed to procedural inadequacies.

We need to recognize the fact that for the last decade substantial annual spending deficits and a huge national debt have dominated the legislative process making it almost impossible to think of budget other than in terms of eliminating these monstrous problems.

But as overwhelming as those debt problems are, it is important to remember that good budget practice is also essential for the delivery of good programs. Responsible budgeting can lend certainty and stability to program operation and, in conjunction with the authorizing and oversight functions of Congress, can provide for program accountability and performance evaluation.

I believe we must take steps to enhance the budget process. One of those steps would be the establishment of a biennial budget. In recent Congresses I have worked with my colleague Wendell Ford and developed a proposal which has twice been reported by the Committee on Governmental Affairs for consideration by the full Senate. I know that David Boren and Pete Dominici have favored similar proposals.

The concept is simple in form. The Biennial Budget Act is designed to put the budget on a two year basis. It creates a two-year budget resolution, and appropriations cycle, and I would like to stress, 2 year appropriations process. The first session of each Congress would be devoted to the budget resolution and appropriations culminating with a two year budget effective that October 1. The second session would be devoted to oversight and multi-year authorizations.

### **Longer View and Greater Program Certainty**

I believe there are several strengths in such a plan. It brings a more deliberative and careful consideration to budget decisions. This can provide for greater certainty in agency planning and in some cases may make budget gimmickry more difficult. Both outcomes promote credibility and fairness.

By providing funds for a two year period, more efficient program planning and administration can be realized. Speaking to this point at a 1988 Committee on Governmental Affairs hearing, then Department of Defense Comptroller Robert Helm made a very persuasive argument:

*"As a result of the current process he said, "Defense budgets are plagued with uncertainty....Program managers have little time to develop rational program execution plans based on available resources, when the available resources become known mere weeks before the next year's budget is transmitted to the Congress....Ironically, in this period of concern over the deficit, the budget process lends itself to the least economical use of our nation's resources by denying program managers the very tools they need-- stability, predictability and commitment."*

These same arguments apply to procurement officers in every agency of the government, as well as state and local governments and individual recipients of federal funding.

### **Eliminate Redundancy**

While legislation to establish a two year budget does not eliminate any of the processes used by Congress, a two year cycle reduces the repetitive nature of the current system. Each year the Congress usually considers the budget resolution, annual authorizations, appropriations and generally reconciliation. On top of this we have tended to rely on budget summits which make for an even more repetitive system.

Even without a budget summit, the annual redundancy causes wide spread frustration. Streamlining the process could reduce its repetitive nature. But by making the decisions once every two years instead of

twice, we reduce the burden. In addition, we avoid debating an issue which might have been decided earlier in the Congress.

### **More Effective Oversight and Authorizations**

In addition, the two year budget will allow more time for consideration of underlying authorizations, which will promote a smoother appropriations process, a process which is more accountable to the American people. Oversight is critical to program review performance and accountability. Every program should at least be reviewed once every five years.

### **Reduce Deficits**

Finally, the two year budget cycle may help to reduce the deficit by providing authorizing committees with a stronger ability to review entitlements and other government functions. By retaining the budget enforcement mechanisms, the Congress can insure that it does not spend more in the second year of the cycle on supplementals. Supplementals will occur, but all decisions must be made within the parameters of the overall spending guidelines in the 2 year budget resolution.



Programs will no longer rush to spend dollars at the end of the fiscal year as the two year budget allows for carry over. This will help eliminate wasteful end of year practices.

The 1990 Budget Enforcement Act is a good example of the efficiencies which can be realized when a multi-year approach is set forth in law. That act established spending caps in domestic discretionary, international and defense spending for the first three years of the agreement. In FY93 the Congress completed action on almost all appropriations bills before the beginning of the Fiscal Year.

While the budget summit did not include two year appropriations, which I favor, the spending caps made for a much smoother efficient budget process during the second session of the last Congress. And though I have disagreed with the content of the last two budget summits, primarily the increased taxes and the inability to reduce spending, I do believe budget summits show that multi-year budgeting can work. Both the 1990 Budget Enforcement Act and the 1987 Budget Summit Agreement set out spending and tax guidelines for multi-year periods. The overall totals helped Congress move briskly on the budget. FY88, coming on the heels of the 1987 summit, was the first time in more than a decade that

the Congress completed action on all 13 appropriations bills before the beginning of the fiscal year.

The budget agreements laid the foundation for multi-year periods. The leadership did not let the uncertainty of economic forecasts deter them from moving toward a multi-year plan. This proposal for a two year budget cycle would make permanent the success we have had so far with multi-year agreements by institutionalizing the process within the current structure of the Congress.

Despite the recent success with the appropriations process in FY93, Congress' record on enacting appropriations bills on time has not been as successful as hoped when the 1974 reforms were enacted. This current procedure is frustrating at best. Authorizing legislation is frequently attached to appropriations bills without adequate consideration. It is my impression that the public does not have a good understanding of what is contained in these bills. With this lack of understanding, it is difficult for the public to hold members accountable for their votes. A 2 year budget will allow for a more thorough and careful review of government programs and federal spending.

In closing, I would note that some might say that the Budget of the

United States and its enactment are much too complicated in terms of content and in the enacting process for us to expect to be able to come up with simpler alternatives. I would disagree. I think we can benefit from better tools. The two year budget is such a tool.

Thank you for the opportunity to testify.



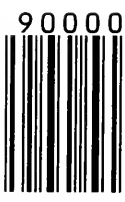
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